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FORM PTO-1594
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

Tab settings ⇨ ⇨ ⇨ ▼ ▼ ▼ ▼ ▼ ▼ ▼

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

KLEIN FOODS, INC.

☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State - CA
☐ Other

Additional name(s) of conveying party(ies) attached? ☐ Yes ☐ No

2. Name and address of receiving party(ies)

Name: THE PRUDENTIAL INSURANCE COMPANY OF AMERICA
Internal Address: Suite 400

Street Address: 7108 North Fresno Street

City: Fresno State: CA ZIP: 93720

☐ Individual(s) citizenship
☐ Association
☐ General Partnership
☐ Limited Partnership
☒ Corporation-State New Jersey
☐ Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☐ No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? ☐ Yes ☒ No

3. Nature of conveyance:

☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other

Execution Date: May 15, 1998

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)
#1249226 #945495
#1070737 #997656
#2112411

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Sarah E. Richards, Esq.

Internal Address: Steefel, Levitt & Weiss

Street Address: One Embarcadero Center
30th Floor

City: San Francisco State: CA ZIP: 94111

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41).....$ 140

☒ Enclosed

☐ Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

SARAH E. RICHARDS — Sarah Richards — 5/26/98
Name of Person Signing — Signature — Date

Total number of pages including cover sheet, attachments, and document: 50

05/29/1998 SSMITH 00000149 1249226
01 FC:481
02 FC:482

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Steefel, Levitt & Weiss
One Embarcadero Center, 30th Floor
San Francisco, California 94111
Attention: James F. Eastman, Esq.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

AMENDED AND RESTATED DEED OF TRUST, SECURITY AGREEMENT, CROP FILING AND FIXTURE FILING WITH ASSIGNMENT OF RENTS AND PROCEEDS, LEASES AND AGREEMENTS

THIS AMENDED AND RESTATED DEED OF TRUST, SECURITY AGREEMENT, CROP FILING AND FIXTURE FILING WITH ASSIGNMENT OF RENTS AND PROCEEDS, LEASES AND AGREEMENTS dated as of May 15, 1998 amends and restates, in its entirety, that certain DEED OF TRUST, SECURITY AGREEMENT, CROP FILING AND FIXTURE FILING WITH ASSIGNMENT OF RENTS AND PROCEEDS, LEASES AND AGREEMENTS dated as of September 29, 1997 made by KLEIN FOODS, INC., a California corporation, in favor of a trustee for the benefit of THE PRUDENTIAL INSURANCE COMPANY OF AMERICA and recorded on October 3, 1997 in the Official Records of the County of Sonoma, State of California, as Instrument No. 19970089106 (the "Prior Deed of Trust").

THE PARTIES HERETO AGREE THAT THE PRIOR DEED OF TRUST SHALL BE AMENDED AND RESTATED, IN ITS ENTIRETY, AS FOLLOWS:

THIS AMENDED AND RESTATED DEED OF TRUST, SECURITY AGREEMENT, CROP FILING AND FIXTURE FILING WITH ASSIGNMENT OF RENTS AND PROCEEDS, LEASES AND AGREEMENTS (this "Deed of Trust") is made as of May 15, 1998 by KLEIN FOODS, INC., a California corporation ("Trustor"), having an address at 11455 Old Redwood Highway, Healdsburg, California 95448 and a mailing address of P.O. Box 368, Windsor, California 95492, FIRST AMERICAN TITLE INSURANCE COMPANY, having offices at 701 Healdsburg Avenue (P.O. Box 932), Healdsburg, California 95448 ("Trustee"), and THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation, having offices at 7108 North Fresno Street, Suite 400, Fresno, California 93720 ("Beneficiary").

WITNESSETH:

Trustor HEREBY IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO Trustee, IN TRUST, WITH POWER OF SALE all of Trustor's right, title and interest now owned or hereafter acquired in and to the following property, together with the Personalty (as hereinafter defined), all of which is hereinafter collectively defined as the "Property":

A. That certain real property located in the County of Sonoma, California, as more particularly described on Exhibit A and Exhibit A-1 attached hereto and incorporated herein by this reference (collectively, the "Land");

B. All Improvements (as hereinafter defined) and all appurtenances, easements, rights and privileges thereof, including all minerals, oil, gas and other hydrocarbon substances thereon or therein, air rights, water, and water rights (whether riparian, appropriative, or pursuant to state or federal entitlements or allotments, or otherwise and whether or not appurtenant) in or

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hereafter relating to or used in connection with the Land, and development rights, and any land lying in the streets, roads or avenues adjoining the Land or any part thereof;

C. All Fixtures (as hereinafter defined), whether now or hereafter installed, being hereby declared to be for all purposes of this Deed of Trust a part of the Land;

D. All Easement Agreements (as hereinafter defined) and all other rights of ingress, egress, reciprocal agreements and other appurtenances relating to the Land; and

E. The Rents and Proceeds (as hereinafter defined), whether by sale or otherwise.

FOR THE PURPOSE OF SECURING, in such order of priority as Beneficiary may determine: (i) payment of the Indebtedness (as hereinafter defined); and (ii) payment (with interest as provided) and performance by Trustor of the Obligations (as hereinafter defined). Notwithstanding the foregoing, or any other term contained herein or in the Loan Documents, none of Trustor's obligations under or pursuant to the Hazardous Substances Remediation and Indemnification Agreement of even date herewith executed by Trustor in favor of Beneficiary (the "98 Hazardous Materials Agreement") and/or the Hazardous Substances Remediation and Indemnification Agreement dated as of September 29, 1997 executed by Trustor in favor of Beneficiary, as amended by the 97 Document Amendment (the "97 Hazardous Materials Agreement," and together with the 97 Hazardous Materials Agreement, collectively, the "Hazardous Substances Agreement") shall be secured by the lien of this Deed of Trust.

ARTICLE 1
DEFINITIONS

Certain Defined Terms: As used in this Deed of Trust the following terms shall have the following meanings:

1.1. Application: Collectively, the First Mortgage Loan Application dated July 3, 1997, executed by Trustor (referred to as "Applicant" therein), which Application includes the mortgage loan conditions attached thereto, and the First Mortgage Loan Application dated March 23, 1998, executed by Trustor (referred to as "Applicant" therein), which Application includes the mortgage loan conditions attached thereto.

1.2. Approved Crops: As defined in Paragraph 4.2.C hereof.

1.3. Collateral: As defined in Paragraph 7.1 hereof.

1.4. Costs: As defined in Paragraph 9.21 hereof.

1.5. Easement Agreements: Any and all ingress or egress easements or agreements, water agreements, reciprocal easements or operating agreements or other appurtenances, easements or real property rights or interests relating to the Land, whether now owned or hereafter acquired, including, without limitation, (i) that certain Easement Agreement dated September 28, 1979, recorded on October 31, 1979 in Book 3646, page 543 in the Official Records of Sonoma County, (ii) that certain Reciprocal Easement Agreement dated March 25, 1982, recorded on March 31, 1982 as Instrument No. 82-017049 in the Official Records of Sonoma County, (iii) that certain Amended and Restated Reciprocal Easement Agreement dated October 31, 1989, recorded on October 31, 1989 as Instrument No. 89-104552 in the Official Records of Sonoma County, (iv) that certain License for Diversion and Use of Water dated as of October 5, 1976, recorded on October 8, 1976 as Instrument No. R61248 in the Official Records of Sonoma County, as amended by that certain Order Allowing Change in Place of Use and Amending the License dated as of December 31, 1993, recorded on January 12, 1994 as Instrument No. 1994-0005266 in the Official Records of Sonoma County, (v) that certain License for Diversion and Use of Water dated as of May 17, 1990, recorded on May 29, 1990 as Instrument No. 1990-0054211 in the Official Records of Sonoma County, (vi) that certain License for Diversion

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and Use of Water dated as of May 17, 1990, recorded on May 29, 1990 as Instrument No. 1990-0054212 in the Official Records of Sonoma County, (vii) that certain License for Diversion and Use of Water dated as of April 25, 1990, recorded on May 7, 1990 as Instrument No. 1990-0046142 in the Official Records of Sonoma County, and (viii) that certain License for Diversion and Use of Water dated as of April 25, 1990, recorded on May 7, 1990 as Instrument No. 1990-0046143 in the Official Records of Sonoma County.

1.6. Event of Default: As defined in Paragraph 6.1 hereof.

1.7. Fixtures: Any and all property affixed to the Land and/or located upon or within the Improvements which are so related to the Land that an interest in such property arises under applicable real estate or real property law, including, without limitation, any Improvements and/or any items set forth in the Inventory which become so related or attached to the Land.

1.8. Foreclosure Date: The date the lien of this Deed of Trust shall be foreclosed or title to the Property shall be transferred pursuant to a deed-in-lieu thereof.

1.9. Hazardous Substances Agreement: As defined in the Securing paragraph of this Deed of Trust.

1.10. Impositions: All real estate and personal property and other taxes and assessments, and any and all other charges, expenses, water district assessments, payments, claims, mechanics' or material suppliers' liens or assessments of any nature that at any time prior to or after the execution of the Loan Documents may be assessed, levied, imposed, or become a lien upon the Property or the rent or income received therefrom, or any use or occupancy thereof.

1.11. Improvements: All (i) building improvements ("Buildings") and fixtures now or hereafter located on the Land, including, without limitation, the Winery Expansion, all buildings, houses, sheds, warehouses, storage facilities, winery facilities, offices, tank storage areas containing approximately 4,100,000 gallons of cooperage, all cooperage, and other buildings, (ii) irrigation and drainage equipment located on or used in connection with the Land, including, without limitation, wells, pumps, motors, engines, gearheads, sprinklers, drip irrigation systems, tow lines, hand lines, irrigation pipe, drainage pipe, culverts and well casings, (iii) enclosures of the Land or any part thereof, including, without limitation, fences, gates, shuts, posts, poles, barbed wire and electric wire, (iv) crop protection equipment and apparatus located on or used in connection with the Land, including, without limitation, frost protection equipment and wind machines, (v) electric, gas and water lines and equipment located on the Land, including, without limitation, transformers, circuit breakers, switch boxes, fuse and breaker panels, regulators, cut on/off valves, wiring and pipe, and (vi) trees, vines and other permanent plantings (whether Fructus Naturales or Fructus Industriales (Emblements)), whether mature or immature, now or hereafter growing on the Land, together with all trellises, wires, endposts, and stakes relating thereto.

1.12. Indebtedness: The indebtedness evidenced by the Note (and each and every one of them) (including, without limitation, any Prepayment Premium due thereunder) and all other amounts due from Trustor to Beneficiary evidenced or secured by the Loan Documents, plus interest on all such amounts as provided in the Loan Documents.

1.13. Inventory: The personal property described in Exhibit B attached hereto.

1.14. Laws and Restrictions: All laws, regulations, orders, codes, ordinances, rules, statutes and policies, restrictive covenants and other title encumbrances, permits and approvals, leases and other rental agreements, relating to the development, occupancy, ownership, management, use, and/or operation of the Property or otherwise affecting the Property or Trustor.

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1.15. Leases: Any and all leasehold interests, including subleases and tenancies following attornment, now or hereafter affecting or covering any part of the Property.

1.16. Loan: The loan from Beneficiary to Trustor evidenced by the Note.

1.17. Loan Documents: The Note, this Deed of Trust, the Application, and all other documents (but not including the Hazardous Substances Agreement), evidencing, securing or relating to the Loan, the payment of the Indebtedness or the performance of the Obligations.

1.18. Material Adverse Change: Any material and adverse change in (i) the financial condition of Trustor, or (ii) the condition or operation of the Property.

1.19. Note: Collectively, (i) that certain Promissory Note of even date herewith executed by Trustor in the original principal amount of Eight Million One Hundred Thousand Dollars ($8,100,000), payable to Beneficiary or its order, and all modifications, renewals or extensions thereof (the "98 Note"), and (ii) that certain Promissory Note dated as of September 29, 1997 executed by Trustor in the original principal amount of Seventeen Million Dollars ($17,000,000), payable to Beneficiary or its order, as amended by the 97 Document Amendment, and all modifications, renewals or extensions thereof (the "97 Note").

1.20. Obligations: Any and all of the covenants, promises and other obligations (including payment of the Indebtedness) made or owing by Trustor to or due to Beneficiary as provided in the Loan Documents and all of the material covenants, promises and other obligations made or owing by Trustor to any other Person relating to the Property.

1.21. Permitted Exceptions: All of those title exceptions set forth in Schedule B, Part I of the title insurance policy issued in favor of Beneficiary that insures the priority of this Deed of Trust, together with any Approved Line of Credit permitted hereunder.

1.22. Person: Any natural person, corporation, firm, association, government, governmental agency or any other entity, whether acting in an individual, fiduciary or other capacity.

1.23. Personalty: Trustor's right, title and interest in and to the following personal property now or hereafter located in, upon or about or collected or used in connection with the Property, together with all present and future attachments, accessions, replacements, substitutions and additions thereto or therefor, and the cash and noncash products and proceeds thereof: all property listed in the Inventory, the Easement Agreements, the Agreements, all crops now or hereafter grown or growing on the Land, all crops and farm products now or hereafter generated by the Land (whether Fructus Naturales or Fructus Industriales (Emblements), including, all such crops and farm products now or hereafter harvested and/or severed from the Land, whether or not then stored on the Land), all equipment necessary to operate a winery, all applicable winery operating permits, all Leases and contracts related to or pertaining to the Property and any and all guaranties thereof, all causes of action and recoveries now or hereafter existing for any loss or diminution in value of the Property, all other tangible and intangible property and rights relating to the Property or its operation, or to be used in connection with the Property, including, but not limited to all agreements, licenses, governmental authorizations or permits pertaining to the Property or the development, ownership, management or operation thereof, all trademarks, service marks, designs, logos, names or similar identifications pertaining to the Property or under which the Property may be known or operated or which are otherwise owned by Trustor, whether registered or unregistered (including, without limitation, the Windsor Vineyards winery label, the Rodney Strong Vineyards winery label, the Rodney D. Strong, Sonoma Vineyards, and Klein Family Vintners tradenames, labels and logos, and all tradenames and/or trademarks related thereto), and all rights to carry on business under such names, and any related goodwill associated in any way with such names or the

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Property, and all accounts, contract rights and general intangibles (including any rents, issues, profits, insurance proceeds and condemnation awards or compensation) arising out of or incident to the ownership, development or operation of the Property encumbered hereby and all construction materials and supplies, leasehold interests in personal property, all water stock relating to, and all water rights appurtenant to the Property, contractual rights for the use of water, drainage rights, and rights to receive or transport water to, the Property, including, without limitation, any right to receive water or subsidies with respect to the price thereof under any contract with, or program administered by, the State of California Department of Water Resources or the Bureau of Reclamation; provided, however, that Personalty shall not include and this Deed of Trust shall not encumber any of the following property of Trustor now or hereafter acquired: oak barrels located on the Property and/or Trustor's bulk wine or grape juice inventory, bottled wine and case goods inventory and/or the accounts receivables or insurance proceeds derived therefrom (such property not so included as Personalty being collectively referred to herein as the "Excluded Property").

1.24. Preexisting Farm Products: Any and all (i) crops derived or generated by the Property on or before the Foreclosure Date (as hereinafter defined), (ii) crops which have not been severed from trees, vines, or other permanent plantings located on the Property on or before the Foreclosure Date, and (iii) to the extent not otherwise included in the foregoing clauses (i) and (ii) any and all other farm products located on the Property on or before the Foreclosure Date, together with any products and proceeds of any such Preexisting Farm Products, in each and every case excepting therefrom any trees, vines, or other permanent plantings now or hereafter located on the Property.

1.25. Principal Party: Any Trustor, any owner of the Property or interest therein, or any guarantor of Trustor's obligations under the Loan Documents.

1.26. Property: As defined in the above granting paragraph of this Deed of Trust.

1.27. Receiver: Any trustee, receiver, custodian, fiscal agent, liquidator or similar officer.

1.28. Reclamation Law: The Reclamation Act of 1902, the Omnibus Adjustment Act of 1926, the Reclamation Reform Act of 1982 and any act or law supplementary thereto, or any rule or regulation promulgated thereunder.

1.29. Reclamation Property: Any portion of the Land that is subject to the Reclamation Law.

1.30. Reclamation Water: Irrigation water applied to Reclamation Property that is subject to the Reclamation Law.

1.31. Rents and Proceeds: All rents, royalties, revenues, issues, profits, proceeds (including, without limitation proceeds from the sale of all or any portion of the Property or interest therein) and other income from the Property.

1.32. Secondary Interest Rate: As defined in the Note.

1.33. Transfer: The occurrence of (i) any sale, conveyance, assignment, transfer, alienation, mortgage, conveyance of security title, encumbrance or other disposition of the Property, of any kind, or any other transaction the result of which is, directly or indirectly, to divest Trustor of any portion of its title to the Property, voluntarily or involuntarily, (ii) any merger, consolidation or dissolution involving, or the sale or transfer of all or substantially all of the assets of, a Principal Party, (iii) the transfer (at one time or over any period of time) of ten percent (10%) or more of the beneficial interest in or of a Principal Party, (iv) the transfer of any general partnership interest in Trustor or in any partnership which is a direct or indirect general partner of Trustor, (v) the conversion of any

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general partnership interest in Trustor to a limited partnership interest, or (vi) a Water Transfer.

1.34. Water Rights: Trustor's right, title and interest in all water (including any water inventory in storage), water rights and entitlements, other rights to water and other rights to receive water or water rights of every kind or nature, including, without limitation, (i) the groundwater on, under, pumped from or otherwise available to the Property, whether as a result of groundwater rights, contractual rights or otherwise; (ii) the right to remove and extract any such groundwater including any permits, rights or licenses granted by any governmental authority or agency and any rights granted or created by any easement, covenant, agreement or contract with any person or entity; (iii) any rights to which the Property is entitled with respect to surface water, whether such right is appropriative, riparian, prescriptive, contractual or otherwise and whether or not pursuant to permit or other governmental authorization, or the right to store any such water; (iv) any water, water right, water allocation, distribution right, delivery right, water storage right, or other water related entitlement appurtenant or otherwise applicable to the Property by virtue of the Property's being situated within the boundaries of any district, agency or other governmental entity or within the boundaries of any private water company, mutual water company or other non-governmental entity; (v) any drainage rights appurtenant or otherwise applicable to the Property; (vi) all rights, including contractual rights, to transport, carry, allocate or otherwise deliver water or any of the foregoing rights from or to the Property by any means, wherever located; (vii) any shares (or any rights under such shares) of any private water company, mutual water company or other non-governmental entity pursuant to which Trustor or the Property may receive any of the rights referred to in subparagraphs (i) through (vi) above.

1.35. Water Transfer: Any transfer, assignment, sale, exchange, gift, encumbrance, pledge, hypothecation, alienation, grant of option to purchase, or other disposition of, directly, indirectly or in trust, voluntarily or involuntarily, by operation of law or otherwise, or the entry into a binding agreement to do any of the foregoing with respect to all or any part of, (i) the groundwater on, under, pumped from or otherwise available to the Land, (ii) Trustor's right to remove and extract any such groundwater including any permits, rights or licenses granted by any governmental authority or agency and any rights granted or created by any easement, covenant, agreement or contract with any person or entity, (iii) any rights to which the Land is entitled with respect to surface water, whether such right is appropriative, riparian, prescriptive or otherwise and whether or not pursuant to permit or other governmental authorization, or the right to store any such water, (iv) any water, water right, water allocation, distribution right, delivery right, water storage right, or other water related entitlement appurtenant or otherwise applicable to the Land by virtue of the Land's being situated within the boundaries of any district, agency, or other governmental entity or within the boundaries of any private water company, mutual water company, or other non-governmental entity, or (v) any shares (or rights under such shares) of any private water company, mutual water company, or other non-governmental entity pursuant to which Trustor or the Land may receive any of the rights referred to in subparagraphs (i) through (iv) above.

1.36. Winery Expansion: As defined in the 98 Note.

1.37. 97 Document Amendment: That certain Amendment to Loan Documents dated as of even date herewith executed by and between Trustor and Beneficiary.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES

Trustor hereby represents and warrants to Beneficiary and Trustee that as of the date of this Deed of Trust and as of the date of any subsequent disbursement pursuant to the Loan Documents:

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2.1. Authorization and Validity. Trustor (i) is duly organized, and validly existing under the laws of the State of California and is duly qualified to do business in the State of California, (ii) is the lawful owner of the Property and holds good and marketable title to the Property free and clear of all defects, liens, encumbrances, easements, exceptions and assessments, except the Permitted Exceptions, (iii) has the power and authority to grant the Property as provided in and by this Deed of Trust, to own and operate the Property, and to execute and deliver, and perform the obligations under, the Loan Documents, (iv) is in compliance with all Laws and Restrictions, and (v) has authorized by all requisite action the execution, delivery and performance by Trustor of the Loan Documents and the borrowings evidenced by the Note and such execution, delivery and performance will not violate any Laws and Restrictions or any agreement or other instrument.

2.2. Statements, Information and Litigation. All financial statements and other information given to Beneficiary with respect to the Property and/or Trustor are true, accurate, complete and correct and except as expressly noted to the contrary therein, have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods covered thereby. There has been no Material Adverse Change since the date of the most recent financial statement given to Beneficiary. There is not now pending against or affecting Trustor or the Property, nor to the best of Trustor's knowledge is there threatened, any action, suit or proceeding that might result in a Material Adverse Change.

2.3. Additional Representations and Warranties. (i) The Property is used principally or primarily for agricultural purposes, (ii) all costs for labor and materials for the construction of the Improvements have been paid in full, (iii) Trustor is not aware of any assessment for public improvements which is pending and which could become a lien upon the Property, (iv) no event has occurred which with the giving of notice or the passage of time, or both, would constitute an Event of Default under any of the Loan Documents, (v) Trustor is not in default under any material agreement or instrument to which it is a party which default would have a material and adverse effect on the Property or Trustor's ability to timely perform the Obligations, (vi) neither the Property, nor any part thereof, has sustained, incurred or suffered any material damage or destruction, (vii) subject to the Permitted Exceptions, the Personalty and the Fixtures are owned by Trustor free and clear of any liens, encumbrances, mortgages, security interests, claims and rights of others, (viii) the Property and the current use thereof complies with all Laws and Restrictions, (ix) Trustor has received no notices of violations of any Laws and Restrictions, (x) Trustor has paid for and is the owner of all Fixtures and Personalty, free and clear of any security interests or liens other than security interests and/or liens in favor of Beneficiary, (xi) other than tenants under the Leases which have been disclosed to Beneficiary in writing, if any, there are no occupants or tenants that have or are entitled to possession of the Property or any part thereof, and (xii) no petition in bankruptcy, petition or answer seeking assignment for the benefit of creditors or appointment of a Receiver or similar proceeding with respect to any Principal Party has occurred or is contemplated.

2.4. FIRPTA Certification. Trustor declares and certifies, under penalty of perjury, that: (i) Trustor's Taxpayer Identification Number is 68-0171812; (ii) the business mailing address of Trustor is as set forth on page 1 hereof; (iii) Trustor is not a "foreign person" within the meaning of Sections 1445 and 7701 of the Internal Revenue Code of 1986, as amended (the "Code"); and (iv) Trustor understands that the information and certification contained in this Paragraph 2.4 may be disclosed to the Internal Revenue Service and that any false statement contained herein could be punished by fine, imprisonment or both. Trustor agrees (a) to provide Beneficiary with a new certification containing the provisions of this Paragraph 2.4 immediately upon any change in such information, and (b) upon any Transfer which is permitted by the terms of this Deed of Trust, to cause such transferee to execute and deliver to Beneficiary a certificate concerning the non-foreign status of such transferee substantially in the form of this Paragraph 2.4.

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2.5. Water Rights.

A. The Property has, and will continue to have, the continuing, enforceable right to receive irrigation water from such sources, in such quantities, and at such times and locations as is reasonably satisfactory for the purposes of farming, without interruption and in such quantities, and at such times and locations as has been historically available to the Property. Trustor has filed with the Department of Water Resources all notices and other documents required under the California Water Code in connection with the supply of water to and use of water upon the Property.

B. Trustor represents and warrants to Beneficiary that: (i) all water used in the irrigation and cultivation of crops on the Land is derived from wells located upon the Land; (ii) Trustor has filed with the Department of Water Resources all notices and other documents required under the California Water Code in connection with such wells; and (iii) to the best of Trustor's knowledge, all water drawn from such wells are derived from a ground water basin lying wholly beneath the Land upon which such well is located.

C. The rights of Trustor to share in the reasonable beneficial use of the natural flow of water passing any portion of the Land (together with all other rights to water located upon or supplied to such portion of the Property, the "Riparian Rights") have not been transferred by grant, contract, condemnation or otherwise. There has been no apportionment of the Riparian Rights with similar rights of any other Person. None of the Riparian Rights have been lost or impaired through, nor are the same threatened by loss due to, prescription, action of the California State Water Resources Control Board or otherwise. None of the Riparian Rights are subject to appropriative rights of any Person. The Riparian Rights are derived from water originating in the watershed supplying such Riparian Rights and no other watershed. Trustor has complied with all applicable Laws and Restrictions concerning the Riparian Rights including, without limitation, Part 5.1 of Division 2 of the Water Code of the State of California and any other Laws and Restrictions concerning the diversion of surface water.

D. With respect to Reclamation Property, Trustor represents and warrants to Beneficiary that: (i) Trustor is either an eligible qualified recipient, or an eligible prior law recipient, in either event entitled to receive water from sources subject to Reclamation Law; (ii) with respect to any trust owning an interest in the Reclamation Property, the trust agreement has been approved by the Bureau of Reclamation as an irrevocable, fiduciary trust which is not a "revocable trust" within the meaning of Section 214(b) of the Reclamation Reform Act of 1982, and that the trust agreement complies with all requirements of 43 C.F.R. Section 426.7(b)(1); (iii) with respect to any partnership owning an interest in the Reclamation Property, the partnership agreement has been approved by the Bureau of Reclamation; (iv) all of the Reclamation Property is non-excess land eligible or receive water from sources subject to Federal Reclamation Law and is eligible to receive such water at a non-full-cost-rate within the meaning of applicable Reclamation Law; (v) all holders of any interest in the Reclamation Property, including Lessees, have fully complied with all certification and reporting requirements under Reclamation Law; (vi) if all or any portion of the Reclamation Property is acquired by Beneficiary after the date hereof by involuntary foreclosure or similar involuntary process of law or by bona fide conveyance in satisfaction of this Deed of Trust, such property will be eligible in the landholding of Beneficiary to obtain the benefits of the provisions of Section 216 and 224(e) of the Reclamation Reform Act of 1982 and the provisions of 43 C.F.R. Sections 426.14(d) and (e); and (vii) all management agreements and custom farming agreements relating to all or any portion of the Reclamation Property have been approved by the Bureau of Reclamation as bona fide management or custom farming arrangements under which the manager or custom farmer does not assume the economic risk in

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the farming operation and are not leases pursuant to 43 C.F.R. Section 426.6.

ARTICLE 3
AFFIRMATIVE COVENANTS

Trustor hereby covenants and agrees as follows:

3.1. Obligations of Trustor. Trustor will timely perform, or cause to be timely performed, all the Obligations.

3.2. Insurance.

A. Trustor, at its sole cost and expense, will keep and maintain for the mutual benefit of Trustor and Beneficiary: (i) with respect to all Buildings and permanent plantings, insurance against loss or damage to by fire and other risks covered by insurance commonly known as the broad form of extended coverage, in an amount equal to one hundred percent (100%) of the then-current "full replacement cost" of such Buildings and plantings; (ii) Comprehensive General Liability insurance including broad form property damage, contractual liability and personal injury or death coverage; (iii) during the period of construction of the Winery Expansion: (a) Builder's completed value risk and such other hazard insurance with respect to the Improvements, as Beneficiary may require against all risks of physical loss including collapse and transit coverage, with deductibles in such amount approved by Lender, with noncontributing mortgagee clauses and standard subrogation clauses and a mortgagee's loss payable endorsement making loss payable to Beneficiary, such insurance to be in such amounts covering the total value of work performed and equipment, supplies and materials furnished and in such form and by such companies as shall be approved by Beneficiary, and the originals of such policies (together with appropriate endorsements thereto, evidence of payment of premiums thereon and written agreement by the insurer or insurers therein to give Beneficiary 15 days prior written notice of modification or intention to cancel) ("Builder's Risk Insurance"), (b) to the extent not provided by the insurance described in clause (iii)(a) above, fire and extended coverage insurance complying with the applicable provisions of clause (i) above, and (c) Public Liability and Workmen's Compensation Insurance; and (iv) such other insurance, and in such amounts, as may from time to time be reasonably required by Beneficiary.

B. All policies of insurance required by this Deed of Trust (i) shall be prepaid and otherwise satisfactory in form, substance, amount and deductible to Beneficiary and written with companies satisfactory to Beneficiary, (ii) shall name Beneficiary as an additional insured as its interest may appear and contain a Standard Lender's Loss Payable endorsement and other non-contributory standard mortgagee protection clauses acceptable to Beneficiary, and at Beneficiary's option, a waiver of subrogation rights by the insurer, (iii) shall contain an agreement by the insurer that such policy shall not be amended or canceled without at least thirty (30) days' prior written notice to Beneficiary, and (iv) shall contain such other provisions as Beneficiary deems reasonably necessary or desirable to protect its interests.

C. All of Trustor's right, title and interest in and to all policies of property insurance and any unearned premiums paid thereon are hereby assigned (to the fullest extent assignable) to Beneficiary who shall have the right, but not the obligation, to assign the same to any purchaser of the Property at any foreclosure sale.

3.3. Maintenance, Waste and Repair. At its sole cost and expense, Trustor will (i) preserve, repair, replace and maintain the Property in a good and businesslike or farmerlike manner and condition, (ii) promptly make all necessary structural and non-structural repairs to the Property that are required to avert a material diminution of their value, (iii) without the

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prior written consent of Beneficiary, not destroy, remove, abandon, or materially diminish or alter the Improvements situated on the Property during the existence of this Deed of Trust, except for replacement of dead or diseased vines in the normal course of farming and caring for the Property, nor erect any new buildings, structures or building additions on the Land, except that Trustor may construct the Winery Expansion, and, in addition, may erect further improvements on the Property, provided that (x) Trustor gives prior written notice to Beneficiary thereof, (y) any new improvements shall be consistent in use with the winery operations on the Property, and (z) any such new improvements shall not adversely affect the value or the operations of the Property, (iv) preserve, repair, replace and maintain the Property and all Improvements now or hereafter located thereon and/or affixed thereto, in a good and businesslike or farmerlike manner, (v) during the existence of this Deed of Trust, cultivate, produce and harvest crops on the Property employing the usual and normal standards and practices of husbandry customarily employed to produce similar crops in the general vicinity, and (vi) not permit any waste of the Property or make any change in the use thereof, nor do or permit to be done thereon anything, that may in any way impair the security of this Deed of Trust. Without limiting the foregoing, Trustor shall not (a) remove or permit the removal of sand, gravel or topsoil from the Property, (b) permit any portion of the Property to be used as a borrow pit, land fill or dump, (c) request or permit a change in zoning or land use classification from agricultural use, (d) transfer or permit the transfer from the Property of any crop allotments or crop bases, or (e) in any way diminish any of Trustor's Water Rights (whether riparian, appropriative or otherwise and whether or not appurtenant).

3.4. Impositions. Trustor will pay when due all Impositions. Trustor will deliver to Beneficiary, within seven (7) days after demand therefor, receipts showing the payment of any Impositions.

3.5. Compliance with Law. Trustor will promptly and faithfully comply with all present and future Laws and Restrictions.

3.6. Books and Records and Other Information. Trustor, without expense to Beneficiary, will maintain full and complete books of account and records reflecting the results of the operations of the Property in accordance with generally accepted accounting principles consistently applied, and will furnish or cause to be furnished to Beneficiary such financial information concerning the condition of Trustor and the Property as Beneficiary shall reasonably request, including, without limitation, (a) within ninety (90) days after the close of such fiscal year of Trustor, annual financial statements prepared by certified public accountants and in form and substance satisfactory to Beneficiary, showing all elements of income and expenses for the operation of the Property; (b) within ninety (90) days after the close of such fiscal year of Trustor, an annual operating report for the Property, which summarizes case good sales and average f.o.b. prices received by varietal and vineyard production information by variety and parcel, in form and substance satisfactory to Beneficiary; and (c) upon request by Beneficiary after the close of each fiscal year of Trustor, (i) the previous year's budgeted variance report which compares Trustor's actual income and expenses for the year to its budgeted income and expenses and (ii) an operating budget for the following fiscal year.

3.7. Further Assurances/Additional Information. Trustor, at any time upon the reasonable request of Beneficiary, will at Trustor's expense, execute, acknowledge and deliver all such additional papers and instruments (including, without limitation, a declaration of no setoff) and perform all such further acts as may be reasonably necessary to perform the Obligations and, as Beneficiary deems necessary, to preserve the priority of the lien of this Deed of Trust and to carry out the purposes of the Loan Documents. In addition, Trustor will furnish to Beneficiary (i) within seven (7) days after written request therefor, any and all information that Beneficiary may reasonably request concerning the Property or the performance by Trustor of the Obligations, and (ii) immediately upon receipt, copies of all (a) notices of violation relating to the Property that Trustor receives from any governmental

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agency or authority, and (b) notices of default that Trustor shall give or receive under any agreement that Trustor covenants to perform hereunder.

3.8. Litigation. Trustor will promptly give notice in writing to Beneficiary of any litigation or other event or occurrence which might result in a Material Adverse Change.

3.9. Inspection of Property. Trustor hereby grants to Beneficiary, its agents, employees, consultants and contractors, the right to enter upon the Property for the purpose of making any and all inspections, reports, tests (including, without limitation, soils borings, ground water testing, inspection of wells, orchards, trees and fields, or soils analysis), inquiries and reviews as Beneficiary (in its sole and absolute discretion) deems necessary to assess the then current condition of the Property, or for the purpose of performing any of the other acts Beneficiary is authorized to perform hereunder or under the Hazardous Substances Agreement. Trustor shall cooperate with Beneficiary to facilitate such entry and the accomplishment of such purposes.

3.10. Contest. Notwithstanding the provisions of Paragraphs 3.4 and 3.5, Trustor may, at its expense, contest the validity or application of any Impositions or Laws and Restrictions by appropriate legal proceedings promptly initiated and diligently conducted in good faith, provided that (i) Beneficiary is reasonably satisfied that the priority of this Deed of Trust shall be maintained and neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, or lost as a result of such contest, and (ii) Trustor shall have posted a bond or furnished such other security as may be reasonably required from time to time by Beneficiary.

3.11. Prepayment. Trustor may prepay the Loan only on the terms and conditions set forth in the Note and Trustor shall pay Beneficiary any Prepayment Premium in respect of any such prepayment, whether voluntary or involuntary, as required by and on the terms and conditions set forth in the Note.

3.12. Tax Service Contract. Throughout the term of the Loan, at Trustor's sole expense, Beneficiary shall be furnished tax service contracts issued by a tax reporting agency satisfactory to Beneficiary.

3.13. Water. Throughout the term of the Loan, at Trustor's sole expense, Trustor shall ensure that the Property will continue to have the continuing, enforceable right to receive irrigation water from such sources, in such quantities, and at such times and locations as is reasonably satisfactory for the purposes of farming, without substantially increased cost, and in such quantities, and at such times and locations as has been historically available to the Property. Trustor will timely take or cause to be taken such actions as shall be necessary to maintain the Reclamation Property at all times as non-excess land eligible to obtain water from sources subject to Reclamation Law and shall not decrease the number of acres of Reclamation Property presently eligible to receive Reclamation Water at a "non-full-cost rate" within the meaning of 43 C.F.R. Section 426(v). Trustor shall comply or cause to be complied with all reporting and certification requirements of Reclamation Law, including without limitation the provisions of 43 C.F.R. Section 426.18.

ARTICLE 4
NEGATIVE COVENANTS

Trustor hereby covenants to and agrees as follows:

4.1. Restrictive Uses. Trustor will not initiate, join in, or consent to any change in the current use of the Property or in any zoning ordinance, private restrictive covenant, assessment proceedings or other public or private restriction limiting or restricting the uses that may be made of the Property or any part thereof or in any way change the boundaries of the Property

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(including without limitation, any agreed boundary line changes or lot line adjustments) without the prior written consent of Beneficiary.

4.2. Prohibited Transfers.

A. Trustor shall not, and shall not cause, allow or permit a Transfer without the prior written consent of Beneficiary, which consent may be withheld or conditioned in Beneficiary's absolute discretion. Any permitted transferee shall, as a condition of the effectiveness of any consent or waiver by Beneficiary hereunder, assume all of Trustor's obligations under the Loan Documents and the Hazardous Substances Agreement and agree to be bound thereby. Such assumption shall not, however, release Trustor from any liability under the Loan Documents or the Hazardous Substances Agreement. This provision shall not apply to transfers of title or interest under any will or testament or applicable law of descent. Consent to any such Transfer by Beneficiary shall not be deemed a waiver of Beneficiary's right to require such consent to any further or future Transfers. In the event Trustor breaches the terms of this Paragraph 4.2, then the entire balance of the Loan, plus the Prepayment Premium, shall become immediately due and payable at the option of Beneficiary.

B. Notwithstanding the provisions of Paragraph 4.2.A hereof, if no Event of Default or event which with the passage of time or the giving of notice or both would constitute an Event of Default has occurred and is continuing, Beneficiary agrees that upon Trustor's prior written notice thereof, Bud D. Klein, Thomas B. Klein, Richard G. Klein, Steven D. Klein, Robert Corkern and/or Kathryn Jackson (each, a "Current Shareholder" and collectively, the "Current Shareholders") shall have the right to transfer all or any portion of their respective stock in Trustor to (1) other Current Shareholders or their spouses, (2) any family trust, the sole trustees and beneficiaries of which are Current Shareholders and/or their immediate family members, and/or (3) any corporation, partnership or other entity in which Current Shareholders hold at least 51% of the beneficial ownership thereof and possess exclusive decision making authority and control over such corporation, partnership or other entity.

C. Notwithstanding the provisions of Paragraph 4.2.A hereof, Beneficiary agrees that upon the written request of Trustor and satisfaction of the conditions precedent set forth in clauses (i) through (v) below, inclusive, Beneficiary shall consent to Trustor obtaining an Approved Line of Credit (as hereinafter defined) from an Auxiliary Lender (as hereinafter defined) secured by a security interest in the Approved Crops (as hereinafter defined) which shall be senior to Beneficiary's security interest in such Approved Crops granted hereunder. The following constitute the conditions precedent to Beneficiary's consent to such Approved Line of Credit: (i) no Event of Default or event which with the passage of time or the giving of notice or both would constitute an Event of Default has occurred and is continuing; (ii) the documents evidencing or securing such Approved Line of Credit shall be in form and substance reasonably satisfactory to Beneficiary; (iii) Beneficiary, the Auxiliary Lender under the Approved Line of Credit and Trustor shall execute an intercreditor agreement in form and substance reasonably satisfactory to Beneficiary and such other documents as may be necessary to (x) subordinate all liens of the Auxiliary Lender to Beneficiary's liens and security interests in the Property and to then subordinate Beneficiary's security interest in Approved Crops for a period not to exceed one (1) year, (y) provide Beneficiary with assurances reasonably satisfactory to Beneficiary that any enforcement action by the Auxiliary Lender with respect to the Approved Crops will not impair Beneficiary's interest in the Personalty or other Property, and (z) provided that, in the event of foreclosure of the lien of this Deed of Trust, Beneficiary shall, to the extent applicable, grant the Auxiliary Lender with reasonable access to the Property for the purpose of cultivating, harvesting and removing any Approved Crops; (iv) Beneficiary shall have received evidence that the

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liens and security interests granted hereunder continue to be first priority security interests in and to all Property not constituting Approved Crops; and (v) Trustor shall have paid all Costs reasonably incurred by Beneficiary in connection with the review, approval and/or preparation of such Approved Line of Credit and other documents described herein. As used herein, "Approved Line of Credit" shall mean an annual line of credit (a) in an amount not to exceed $25,000,000.00 or such higher amount approved by Beneficiary which approval shall not be unreasonably withheld, the proceeds of which are used exclusively to finance crops and farming operations of the Property and Trustor's winery and wine distribution activities, (b) which is secured by a security interest only in the Approved Crops and other collateral not included within the definition of Property hereunder, and (c) by its own terms, expires not more than three (3) years after the original date of such Approved Line of Credit. As used herein, "Auxiliary Lender" means any nationally or regionally recognized financial institution that regularly engages in agricultural lending whose loan to Trustor is secured by a security interest in Approved Crops, together with any agent or employee of such Auxiliary Lender and such Auxiliary Lender's successors and assigns each of which itself must be either Junior Lender or a nationally or regionally recognized financial institution that regularly engages in agricultural lending whose loan to Trustor is secured by a security interest in the Approved Crops. As used herein "Approved Crops" shall mean all crops growing on the Land but only to the extent that such crops (1) have been planted and/or cultivated through the proceeds of an advance under the Approved Line of Credit, and (2) constitute Preexisting Farm Products.

D. Notwithstanding the provisions of Paragraph 4.2.A hereof, Beneficiary consents to the secondary encumbrance of certain Personalty by and relating to the loan (the "Junior Loan") made to Trustor by Klein Bros. Holdings Ltd. (the "Junior Lender") (the "Junior Lien"), provided that such Junior Lien and rights of Junior Lender shall be subject to the terms and conditions of that certain Amended and Restated Subordination Agreement dated as of even date herewith executed by and between Trustor, Beneficiary and Junior Lender, and provided further, that such consent shall not be construed as allowing or consenting to any transfer Personalty pursuant to the loan documents in favor of the Junior Lender (including, without limitation, any foreclosure actions thereunder).

E. Notwithstanding the provisions of Paragraph 4.2.A hereof, Beneficiary agrees that a conveyance of a portion of the Property as more particularly described in Exhibit C attached hereto (the "Option Parcel") to the "Optionee" under and pursuant to the terms of that certain Option and Easement Agreement dated as of October 31, 1989, a memorandum of which was recorded on October 31, 1989 as Instrument No. 89104554 in the Official Records of Sonoma County, California, as amended by that certain First Amendment to Option and Easement Agreement dated November 11, 1989 as disclosed by that certain Memorandum of First Amendment to Easement dated November 9, 1989 and recorded on March 5, 1990 as Instrument No. 90022380 in the Official Records of Sonoma County, California, as assigned to the current optionee thereunder pursuant to that certain Assignment and Assumption Agreement dated as of December 10, 1993 recorded on December 10, 1993 as Instrument No. 1993 0158567 in the Official Records of Sonoma County, California (collectively, the "Option Agreement") shall not constitute a prohibited Transfer under Paragraph 4.2.A hereof.

4.3. Corporate Bylaws. Trustor, if a corporation, will not terminate, alter, modify or amend or permit the termination, alteration, modification or amendment of its Bylaws without Beneficiary's prior written consent.

4.4. Debt Limitation. Trustor shall not allow the sum of the aggregate indebtedness from time to time outstanding under (i) any Approved Line of Credit, (ii) the Junior Loan, and (iii) any other financing provided by the

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Junior Lender, to at any time exceed 115% of the then maximum committed principal amount of the Approved Line of Credit permitted hereunder.

ARTICLE 5
CASUALTIES AND CONDEMNATION

5.1. Insurance and Condemnation Proceeds.

A. Trustor shall notify Beneficiary in writing immediately upon the occurrence of any loss or damage by fire or other casualty to the Property or upon commencement of any proceedings for condemnation of any portion of the Property. Beneficiary shall be entitled to (i) participate in any such condemnation proceedings and Trustor from time to time will deliver to Beneficiary all instruments reasonably necessary to permit such participation, and (ii) settle and adjust all insurance claims relative to any such damage or destruction, deducting from any insurance proceeds the amount of all expenses incurred by Beneficiary in connection with any such settlement or adjustment. All proceeds paid to Trustor under any insurance policies relating to the Property shall immediately be delivered to Beneficiary. All condemnation proceeds from the Property are hereby assigned to and shall be paid to Beneficiary.

B. The proceeds of any insurance policy received by Beneficiary shall, at the option of Beneficiary, either be applied to the prepayment of the Indebtedness or satisfaction of any Obligation or be paid over to Trustor for restoration of the Improvements. If Beneficiary elects to make such proceeds available for repair or reconstruction, Beneficiary shall, through a disbursement procedure established by Beneficiary, make available to Trustor the net amount of all insurance proceeds or condemnation awards received by Beneficiary after deduction of Beneficiary's reasonable costs and expenses, if any, in collection of the same (the "Net Proceeds"). In the event Beneficiary elects not to make the Net Proceeds available for repair or reconstruction, Beneficiary, at its sole option, may apply the Net Proceeds in payment of the Indebtedness or in satisfaction of any other Obligation in such order as Beneficiary may determine. Notwithstanding the foregoing, Beneficiary shall make the Net Proceeds available to Trustor for repair or reconstruction provided that (i) there shall then be no default under any Loan Document, (ii) Beneficiary shall be satisfied that (a) the Property can and will be restored to the condition of the Property immediately prior to such casualty or condemnation within 18 months of the date of such casualty or condemnation in accordance with plans and specifications approved by Beneficiary, and such completion shall occur at least 24 months prior to the Maturity Date, and (b) no material agreements are terminated or terminable as a result of such casualty or condemnation, (iii) Trustor shall have entered into a general construction contract reasonably acceptable in all respects to Beneficiary for completion of the repair or reconstruction, (iv) in Beneficiary's reasonable judgment, the security for the Loan has not been materially impaired as a result of such casualty or condemnation, and (v) prior to any disbursement of Net Proceeds and throughout the restoration period, Beneficiary shall have determined, in its reasonable discretion, that such repair or reconstruction can be completed at a cost (which cost shall include all payments coming due under the terms of the Loan) which does not exceed the aggregate of the then remaining Net Proceeds and any funds deposited with Beneficiary by Trustor.

C. The Net Proceeds and any additional funds deposited by Trustor with Beneficiary shall constitute additional security for the Loan. Trustor shall execute, deliver, file and/or record, at its own expense, such documents and instruments as Beneficiary requires to grant to Beneficiary a perfected, first priority security interest in the Net Proceeds and such additional funds.

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D. Notwithstanding the terms or provisions of this Paragraph 5.1, if the Final Disbursement (as defined in the 98 Note) has not yet been funded, then with respect to any Net Proceeds received by Beneficiary under any Builder's Risk Insurance relating to a casualty event with respect to the then yet to be completed Winery Expansion (as defined in the 98 Note) (collectively, "Construction Net Proceeds"), then provided that there shall then be no default under any Loan Document, Beneficiary shall make the Construction Net Proceeds available to Trustor for repair or reconstruction of the Winery Expansion pursuant to construction disbursement procedures reasonably satisfactory to Beneficiary.

5.2. Additional Provisions Relating to Condemnation. In any condemnation proceedings, Beneficiary may be represented by counsel selected by Beneficiary. The proceeds of any award or compensation so received by Beneficiary as set forth in Paragraph 5.1.A above shall, at the option of Beneficiary, either be applied to the prepayment of the Indebtedness or satisfaction of any Obligation or be paid over to Trustor for restoration of the Improvements in accordance with the provisions of Paragraph 5.1. Trustor hereby unconditionally and irrevocably waives all rights of a property owner under Section 1265.225(a) of the California Code of Civil Procedure or any successor statute providing for the allocation of condemnation proceeds between a property owner and a lien holder.

ARTICLE 6
EVENTS OF DEFAULT AND REMEDIES OF BENEFICIARY

6.1. Events of Default.

A. It shall constitute an "Event of Default" hereunder if any of the following events shall occur and Beneficiary, by written notice delivered to Trustor, declares an Event of Default: (i) Trustor shall fail to pay within five (5) days of the date when due any part of the Indebtedness; (ii) Trustor shall fail to timely observe, perform or discharge any Obligation, other than as described in Paragraphs 6.1.A(i),(iii),(iv),(v),(vi), (vii), (viii), and (ix), and any such failure shall remain unremedied for thirty (30) days or such lesser period as may be otherwise specified in the applicable Loan Document or agreement (the "Grace Period") after notice to Trustor of the occurrence of such failure; provided, however, that Beneficiary may extend the Grace Period up to ninety (90) days if (a) Beneficiary determines in good faith that (1) such default cannot be cured within the Grace Period but can be cured within ninety (90) days, (2) no lien or security interest created by the Loan Documents shall be impaired prior to the completion of such cure, and (3) Beneficiary's immediate exercise of any remedies provided hereunder or by law is not necessary for the protection or preservation of the Property or Beneficiary's security interest therein, and (b) Trustor shall immediately commence and diligently pursue the cure of such default; (iii) Trustor, as lessor or sublessor, as the case may be, shall assign all or any part of the Rents and Proceeds or any interest therein without first obtaining the written consent of Beneficiary; (iv) default by Trustor after the expiration of all applicable grace or cure periods under any agreement to which Trustor is a party, other than the Loan Documents, which agreement relates to the borrowing of money by Trustor from any Person, and such default might give rise to a Material Adverse Change or adversely affect the security for the Loan; (v) any representation or warranty made by Trustor in, under or pursuant to the Loan Documents was false or misleading in any material respect as of the date on which such representation or warranty was made or deemed remade; (vi) any of the Loan Documents shall cease to be in full force and effect or be declared null and void, or shall cease to constitute valid and subsisting liens and/or valid and perfected security interests in and to the Property, or Trustor shall contest or deny in writing that it has any further liability or obligation under any of the Loan Documents; (vii) the declaration of an Event of Default hereunder pursuant to Section 6 of

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the Hazardous Substances Agreement; (viii) Trustor or any successor in interest is estopped or denied from receiving irrigation water for use upon any portion of the Property for any reason, or if existing water permits or certificates or other water rights shall be revoked or suspended, or if there is an increase in the number of acres of Reclamation Property that are subject to the payment of Reclamation Water at a "full cost rate" within the meaning of applicable Reclamation Law and any act or law supplementary thereto, or any rule or regulation promulgated thereunder, and Beneficiary reasonably determines that such loss of interruption of the right to receive irrigation water, materially and adversely affects the value of the Property and/or the security for the Loan; or (ix) a Material Adverse Change shall have occurred.

B. It shall constitute an Event of Default hereunder without the requirement of any notice if any of the following events shall occur: (i) any Principal Party shall generally not pay its debts as they become due or shall admit in writing its inability to pay its debts, or shall have made a general assignment for the benefit of creditors; (ii) any Principal Party shall commence any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking to have an order for relief entered against it as debtor, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property (collectively, a "Proceeding"); (iii) any Principal Party shall take any action to authorize any of the actions set forth above in clauses (i) or (ii); (iv) any Proceeding shall be commenced against any Principal Party, and such Proceeding (a) results in the entry of an order for relief against it which is not fully stayed within seven (7) business days after the entry thereof or (b) remains undismissed for a period of forty-five (45) days; or (v) failure to timely observe, perform or discharge any provision of Paragraph 4.2 hereof or the occurrence of a Transfer without Beneficiary's prior written consent.

6.2. Remedies.

A. Upon the occurrence of any Event of Default, Beneficiary may at any time declare all of the Indebtedness (including, without limitation, any Prepayment Premium due under the terms of the Note in connection with such acceleration) to be due and payable and the same shall thereupon become immediately due and payable, together with all payments due in accordance with the terms of the Note, without any further presentment, demand, protest or notice of any kind. Beneficiary may, in its sole discretion, also do any of the following: (i) in person, by agent, or by a Receiver, without regard to the adequacy of security, the solvency of Trustor or the condition of the Property, without obligation so to do and without notice to or demand upon Trustor, enter upon and take possession of the Property, or any part thereof, in its own name or in the name of Trustee and do any acts which Beneficiary deems necessary to preserve the value or marketability of the Property; sue for or otherwise collect the Rents and Proceeds, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, against the Obligations, all in such order as Beneficiary may determine; appear in and defend any action or proceeding purporting to affect, in any manner whatsoever, the Obligations, the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase or compromise any encumbrance, charge or lien that in the judgment of Beneficiary or Trustee is prior or superior hereto; and in exercising any such powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees; (ii) as a matter of strict right and without notice to Trustor or anyone claiming under Trustor, and without regard to the then value of the Property or the danger of loss, removal, or material injury to the Property, apply ex parte to any court having jurisdiction to appoint a Receiver to enter upon and take possession of the Property, and Trustor hereby waives notice of any application

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therefor, provided a hearing to confirm such appointment with notice to Trustor is set within the time required by law (any such Receiver shall have all the powers and duties of Receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale, unless such Receivership is sooner terminated); (iii) commence an action to foreclose this Deed of Trust in any manner provided hereunder or by law; (iv) with respect to any Personalty, proceed as to both the real and personal property in accordance with Beneficiary's rights and remedies in respect of the Land, or proceed to sell said Personalty separately and without regard to the Land in accordance with Beneficiary's rights and remedies as to personal property; and/or (v) deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause the Property to be sold, which notice Trustee or Beneficiary shall cause to be duly filed for record.

B. If Trustor shall at any time fail to perform or comply with any of the terms, covenants and conditions required on Trustor's part to be performed and complied with under any of the Loan Documents or any other agreement that, under the terms of this Deed of Trust, Trustor is required to perform, then Beneficiary may, in its sole discretion: (i) make any payments hereunder or thereunder payable by Trustor and take out, pay for and maintain any of the insurance policies provided for herein or therein; and/or (ii) after the expiration of any applicable grace period and subject to Trustor's rights to contest certain obligations specifically granted hereby, perform any such other acts thereunder on the part of Trustor to be performed and enter upon the Property for such purpose.

C. Should Beneficiary elect to foreclose by exercise of the power of sale herein contained, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust and the Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require. Upon receipt of such notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such notice of default and notice of sale as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such notice of default and after notice of sale having been given as required by law, sell the Property at the time and place of sale fixed by it in said notice of sale, either as a whole, or in separate lots or parcels or items as Beneficiary shall determine, and in such order as Beneficiary may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any Person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers. After deducting all costs, fees and expenses of Trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale in the following priority, to payment of: (i) first, all sums expended under the terms hereof, not then repaid, with accrued interest at the Secondary Interest Rate; (ii) second, all other sums then secured hereby; and (iii) the remainder, if any, to the person or persons legally entitled thereto. Beneficiary may, in its sole discretion, designate the order in which the Property shall be offered for sale or sold through a single sale or through two or more successive sales, or in any other manner Beneficiary deems to be in its best interest. If Beneficiary elects more than one sale or other disposition of the Property, Beneficiary may at its option cause the same to be conducted simultaneously or successively, on the same day or at such different days or times and in such order as Beneficiary may deem to be in its best interests, and no such sale shall

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terminate or otherwise affect the lien of this Deed of Trust on any part of the Property not then sold until all Indebtedness secured hereby has been fully paid. If Beneficiary elects to dispose of the Property through more than one sale, Trustor shall pay the costs and expenses of each such sale of its interest in the Property and of any proceedings where the same may be made. Trustee may postpone the sale of all or any part of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement, and without further notice make such sale at the time fixed by the last postponement; or Trustee may, in its discretion, give a new notice of sale. Beneficiary may rescind any such notice of default at any time before Trustee's sale by executing a notice of rescission and recording the same. The recordation of such notice shall constitute a cancellation of any prior declaration of default and demand for sale and of any acceleration of maturity of Indebtedness affected by any prior declaration or notice of default. The exercise by Beneficiary of the right of rescission shall not constitute a waiver of any default then existing or subsequently occurring, or impair the right of Beneficiary to execute other declarations of default and demand for sale, or notices of default and of election to cause the Property to be sold, nor otherwise affect the Note or this Deed of Trust, or any of the rights, obligations or remedies of Beneficiary or Trustee hereunder.

D. In the event of a sale of the Property, or any part thereof, and the execution of a deed therefor, the recital therein of default, and of recording notice of default and notice of sale, and of the elapse of the required time (if any) between the recording and the notice, and of the giving of notice of sale, and of a demand by Beneficiary, or its successors or assigns, that such sale should be made, shall be conclusive proof of such default, recording, election, elapse of time, and giving of such notice, and that the sale was regularly and validly made on due and proper demand by Beneficiary, its successors or assigns. Any such deed or deeds with such recitals therein shall be effective and conclusive against Trustor, its successors and assigns, and all other Persons. The receipt for the purchase money recited or contained in any deed executed to the purchaser as aforesaid shall be sufficient discharge to such purchaser from all obligations to see to the proper application of the purchase money.

E. All remedies of Beneficiary provided for herein are cumulative and shall be in addition to any and all other rights and remedies provided in the other Loan Documents or by law, including any right of offset. The exercise of any right or remedy by Beneficiary hereunder shall not in any way constitute a cure or waiver of default hereunder or under the Loan Documents, or invalidate any act done pursuant to any notice of default, or prejudice Beneficiary in the exercise of any of its rights hereunder or under the Loan Documents.

ARTICLE 7
SECURITY AGREEMENT AND FIXTURE FILING

7.1. Grant of Security Interest. Trustor hereby grants to Beneficiary a security interest in and to all Trustor's right, title and interest now owned or hereafter acquired in and to the Improvements, Personalty and the Fixtures and all of the products and proceeds thereof (collectively, the "Collateral") to secure payment and performance of the Obligations.

7.2. Remedies. This Deed of Trust constitutes a security agreement with respect to the Collateral in which Beneficiary is hereby granted a security interest. In addition to the rights and remedies provided under this Deed of Trust, Beneficiary shall have all of the rights and remedies of a secured party under the California Uniform Commercial Code as well as all other rights and remedies available at law or in equity. Trustor hereby agrees to execute and deliver on demand and irrevocably constitutes and appoints Beneficiary the attorney-in-fact of Trustor to, at Trustor's expense, execute, deliver and, if appropriate, to file with the appropriate filing officer or office such

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instruments as Beneficiary may request or require in order to impose, perfect or continue the perfection of the lien or security interest created hereby. Upon the occurrence of any Event of Default, Beneficiary shall have (i) the right to cause any of the Collateral which is personal property to be sold at any one or more public or private sales as permitted by applicable law and to apply the proceeds thereof to the Indebtedness or the satisfaction of any Obligation, and (ii) the right to apply to the Indebtedness or the satisfaction of any Obligation any Collateral which is cash, negotiable documents or chattel paper. Any such disposition may be conducted by an employee or agent of Beneficiary or Trustee. Any Person, including both of Trustor and Beneficiary, shall be eligible to purchase any part or all of such Personalty at any such disposition.

7.3. Expenses. Expenses of retaking, holding, preparing for sale, selling or the like pertaining to the Collateral shall be borne by Trustor and shall include Beneficiary's and Trustee's reasonable attorneys' fees and legal expenses. Trustor, upon demand of Beneficiary shall assemble the Collateral and make it available to Beneficiary at the Property, a place which is hereby deemed to be reasonably convenient to Beneficiary and Trustor. Beneficiary shall give Trustor at least ten (10) days' prior written notice of the time and place of any public sale or other disposition of the Collateral or of the time after which any private sale or any other intended disposition is to be made. Any such notice sent to Trustor in the manner provided for the mailing of notices herein is hereby deemed to be reasonable notice to Trustor.

7.4. Fixture Filing. This Deed of Trust covers certain goods which are or are to become fixtures related to the Land and constitutes a fixture filing with respect such goods executed by Trustor as debtor in favor of Beneficiary as secured party.

7.5. Crop Filing. The Security Agreement set forth in this Deed of Trust covers all crops now or hereafter growing on the Land and all crops and farm products now or hereafter generated by the Land (whether Fructus Naturales or Fructus Industriales (Emblements), including, all such crops and farm products now or hereafter harvested and/or severed from the Land, whether or not then stored on the Land), and all the products and proceeds thereof, and this Deed of Trust constitutes a financing statement with respect such crops executed by Trustor as debtor in favor of Beneficiary as secured party.

ARTICLE 8
ASSIGNMENT OF RENTS AND PROCEEDS, LEASES AND AGREEMENTS

8.1. Assignment of Rents and Proceeds and Leases. Trustor absolutely and unconditionally assigns and transfers to Beneficiary (i) the Leases and (ii) the Rents and Proceeds whether now due, past due or to become due, and gives to and confers upon Beneficiary any and all rights and claims of any kind that Trustor may have against lessees under the Leases and the right, power and authority to collect such Rents and Proceeds, and apply the same to the Indebtedness or the satisfaction of any Obligation. Trustor irrevocably appoints Beneficiary its agent to, at any time, demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, either in the name of Trustor or in the name of Beneficiary, for all such Rents and Proceeds. Neither the foregoing assignment of Leases and Rents and Proceeds to Beneficiary or the exercise by Beneficiary of any of its rights or remedies under this Deed of Trust shall be deemed to make Beneficiary a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Property or the use, occupancy, enjoyment or operation of all or any part thereof, unless and until Beneficiary, in person or by its own agent, assumes actual possession thereof, nor shall appointment of a Receiver for the Property by any court at the request of Beneficiary or by agreement with Trustor or the entering into possession of the Property by such Receiver be deemed to make Beneficiary a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Property or the use, occupancy, enjoyment or operation thereof. Concurrently with the execution of this Deed of Trust, Trustor has executed, delivered and recorded the Assignment of Leases in favor of Beneficiary.

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8.2. Assignment of Agreements. Trustor hereby sells, assigns, transfers, sets over and delivers to Beneficiary all of Trustor's right, title and interest in and to any and all agreements, contracts, crush permits, licenses, supply contracts, reports, surveys, maintenance agreements, water-sharing agreements, water agreements, purchase contracts, and governmental approvals or permits whatsoever pertaining to the operation of the Property, as the same may be amended or otherwise modified from time to time (collectively, the "Agreements"). The foregoing assignment encompasses the right of Trustor to (i) terminate any of the Agreements, (ii) perform or compel performance and otherwise exercise all remedies under the Agreements, and (iii) collect and receive all sums which may become due Trustor or which Trustor may now or shall hereafter become entitled to demand or claim, under the Agreements.

8.3. Revocable License. Notwithstanding anything to the contrary contained herein or in the Note, so long as no Event of Default shall have occurred, Trustor shall have a license to collect all Rents and Proceeds and all other sums which may become payable to Trustor under the Agreements, and to first apply the same to the payment or performance of the Obligations as and when due. Upon the occurrence of an Event of Default, Beneficiary shall have the right, on written notice to Trustor, to terminate and revoke the license herein granted to Trustor and shall have the right and authority then or thereafter to exercise and enforce any and all of its rights and remedies provided in this Article 8 or by law or at equity.

8.4. Nonresponsibility. The acceptance by Beneficiary of the assignments with all the rights, powers, privileges and authority so granted shall not obligate Beneficiary to assume any obligations in respect of the Rents and Proceeds or under the Agreements or take any action thereunder or to expend any money or incur any expense or perform or discharge any obligation, duty or liability in respect of the Rents and Proceeds or under the Agreements or to assume any obligation or responsibility for the nonperformance of the provisions thereof by Trustor.

8.5 Affirmative Covenants re Leases and Agreements. Trustor shall (i) observe, perform and discharge, all the obligations, terms, covenants, conditions and warranties of the Leases and Agreements, on the part of Trustor to be kept, and shall promptly notify Beneficiary of any default thereunder, (ii) upon written request of Beneficiary, direct the obligors under the Agreements and the Lessees to deliver all Rents and Proceeds and other payments due thereunder to Beneficiary, (iii) enforce or secure in the name of Beneficiary the performance of each and every obligation, term, covenant, condition and agreement of the Leases and Agreements to be performed by Lessees and obligors thereunder, (iv) appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Leases or the Agreements or the obligations, duties, or liabilities of Trustor, Lessees and obligors thereunder and, upon request by Beneficiary, to do so in the name and on behalf of Beneficiary but at the expense of Trustor, and to pay all costs and expenses of Beneficiary, including, attorneys' fees.

8.6 Negative Covenants re Leases and Agreements. Trustor shall not, without the prior written consent of Beneficiary: (i) lease any part of the Property or renew or extend any Leases; (ii) terminate, amend, modify or alter in any manner any Leases, or waive, excuse, condone, discount, set-off, compromise, or in any manner release or discharge Lessees from any obligations, covenants, conditions and agreements by such Lessees to be kept, or accept or consent to any surrender of the Leases; (iii) receive or collect any Rents and Proceeds for a period of more than one month in advance (whether in cash or by promissory note); (iv) further assign the Leases or pledge, transfer, mortgage or otherwise encumber or assign future payments of Rents and Proceeds; (v) commence an action of ejectment or summary proceedings for dispossession of the Lessees under any Leases; or (vi) consent to any modification of the express purposes for which the Property has been leased, or consent to any subletting of the Property or any part thereof, or to assignment of the Leases by Lessees thereunder or to any assignment or further subletting by any sublessees.

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ARTICLE 9
MISCELLANEOUS

9.1. Successor Trustee. Beneficiary may remove Trustee or any successor trustee at any time or times and appoint a successor trustee by recording a written substitution in the county where the Property is located, or in any other manner permitted by law.

9.2. No Waiver. No failure by Beneficiary to insist upon strict, full and complete (i) payment when due of any portion of the Indebtedness or (ii) performance of any Obligation, nor failure to exercise any right or remedy hereunder, shall constitute a waiver of any such failure to pay or breach of any such Obligation, or of the later exercise of such right or remedy.

9.3. Notices. All notices or other written communications hereunder shall be deemed to have been properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged, (ii) one business day after having been deposited for overnight delivery with Federal Express or another comparable overnight courier service, or (iii) three business days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, addressed to the addresses set forth on page 1 hereof or addressed as such party may from time to time hereafter designate by written notice to the other parties.

9.4. Severability. If any provision hereof should be held unenforceable or void, that provision shall be deemed severable from the remaining provisions and in no way affect the validity of this Deed of Trust except that if such provision relates to the payment of any monetary sum, then Beneficiary may, at its option, declare the Indebtedness immediately due and payable.

9.5. Joinder of Foreclosure. Should Beneficiary hold any other or additional security for the performance of the Obligations, its sale or foreclosure, upon any default in such performance, in the sole discretion of Beneficiary, may be prior to, subsequent to, or joined or otherwise contemporaneous with any sale or foreclosure hereunder.

9.6. Governing Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the state in which the Land is located.

9.7. Subordination. At the option of Beneficiary, this Deed of Trust shall become subject and subordinate in whole or in part (but not with respect to priority of entitlement to any insurance proceeds, damages, awards, or compensation resulting from damage to the Property or condemnation or exercise of power of eminent domain), to any and all contracts of sale and/or any and all Leases upon the execution by Beneficiary and recording thereof in the Official Records of the county where the Land is located of a unilateral declaration to that effect.

9.8. Waiver of Statute of Limitations and Rights to Trial by Jury. Trustor hereby waives, to the full extent allowed by law, the right to plead any statute of limitations as a defense to any obligation secured by this Deed of Trust and the right to a jury trial in any action under or relating to the Loan Documents.

9.9. Entire Agreement. The Loan Documents and the Hazardous Substances Agreement set forth the entire understanding between Trustor and Beneficiary relative to the Loan and the same shall not be amended except by a written instrument duly executed by each of Trustor and Beneficiary. The foregoing notwithstanding, the terms and the conditions of the Application shall survive the funding of the Loan but in the event of any conflict between the provisions of the Application and any of the other Loan Documents or the Hazardous Substances Agreement, except as otherwise specifically provided herein, the terms of such other Loan Documents and Hazardous Substances Agreement shall control.

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9.10. Charges for Statements. Trustor agrees to pay Beneficiary's charge, up to the maximum amount permitted by law, for any statement regarding the Obligations requested by Trustor or in its behalf.

9.11. Usury. In the event that Beneficiary determines that any charge, fee or interest paid or agreed to be paid in connection with the Loan may, under the applicable usury laws, cause the interest rate on the Loan to exceed the maximum permitted by law, then such charges, fees or interest shall be reduced and any amounts actually paid in excess of the maximum interest permitted by such laws shall be applied by Beneficiary to reduce the outstanding principal balance of the Loan. The parties intend that Trustor shall not be required to pay, and Beneficiary shall not be entitled to collect, interest in excess of the maximum legal rate permitted under the applicable usury laws.

9.12. Information Reporting Under IRS Section 6045(e). Any information returns or certifications that must be filed with the Internal Revenue Service and/or provided to other parties pursuant to Internal Revenue Code Section 6045(e) shall be prepared, filed by and sent to the appropriate parties by Trustor. To the extent permitted by law, Beneficiary shall have no responsibility to perform such services; provided however, that upon demand Trustor shall pay such fee to Beneficiary as Beneficiary may reasonably and lawfully request. Beneficiary shall, where requested by Trustor, promptly supply Trustor with all information pertaining to Beneficiary reasonably required by Trustor to prepare and file any such return or certification.

9.13. ERISA.

A. Beneficiary represents and warrants to Trustor that, as of the date of this Deed of Trust and throughout the term of the Loan, the source of funds from which Beneficiary extends the Loan is its General Account, which is subject to the claims of its general creditors under state law. For so long as The Prudential Insurance Company of America is the holder of the Note and Beneficiary hereunder, it shall not allocate all or any portion of the Loan to any account other than its General Account.

B. Trustor represents and warrants to Beneficiary that, as of the date of this Deed of Trust and covenants that, throughout the term of the Loan, (i) Trustor is not and will not become an "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which is subject to Title I of ERISA, and (ii) the assets of Trustor do not and will not constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101.

C. Trustor represents and warrants to Beneficiary that, as of the date of this Deed of Trust (i) Trustor is not a "governmental plan" within the meaning of Section 3(32) of ERISA and (ii) transactions by or with Trustor are not subject to state statutes regulating investment of and fiduciary obligations with respect to governmental plans.

D. Trustor covenants and agrees to deliver to Beneficiary such certifications or other evidence from time to time throughout the term of the Loan, as requested by Beneficiary in its sole discretion, that (i) Trustor is not an "employee benefit plan" or a "governmental plan," and (ii) Trustor is not subject to state statutes regulating investments and fiduciary obligations with respect to governmental plans, and (iii) one or more of the following circumstances is true: (a) equity interests in Trustor are publicly offered securities, within the meaning of 29 C.F.R. Section 2510.3-101(b)(2); (b) less than twenty-five percent (25%) of all equity interests in Trustor are held by "benefit plan investors" within the meaning of 29 C.F.R. Section 2510.3-101(f)(2); (c) Trustor qualifies as an "operating company" or a "real estate operating company" within the meaning of 29 C.F.R. Section 2510.3-101(c) or (e); or (d) no equity interest in Trustor is held directly or indirectly by an employee benefit plan subject to ERISA.

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E. Any of the following shall constitute an Event of Default entitling Beneficiary to exercise any and all remedies to which it may be entitled under the Loan Documents: (i) the failure of any representation or warranty made by Trustor under this Paragraph 9.13 to be true and correct in all respects; (ii) the failure of Trustor to provide Beneficiary with the written certifications and evidence referred to above; or (iii) the consummation by Trustor of a transaction which would cause the Deed of Trust or any exercise of Beneficiary's rights under the Loan Documents to constitute a non-exempt prohibited transaction under ERISA or a violation of a state statute regulating governmental plans, subjecting Beneficiary to liability for violation of ERISA or such state statute.

F. Trustor shall indemnify, protect and defend and hold Beneficiary harmless from and against all loss, fee, cost, damage and expense (including attorneys' fees and costs incurred in the investigation, defense and settlement of claims and losses incurred in correcting any prohibited transaction or in the sale of a prohibited loan, and in obtaining any individual prohibited transaction exemption under ERISA that may be required, in Beneficiary's sole discretion) that Beneficiary may incur, directly or indirectly, as a result of a default under Paragraph 9.13.E. This indemnity shall survive any termination, satisfaction or foreclosure of the Deed of Trust.

G. Notwithstanding anything to the contrary contained in this Deed of Trust, no Transfer otherwise permitted hereunder shall be permitted if such Transfer would negate the representations contained in this Paragraph 9.13 or cause this Deed of Trust (or the exercise by Beneficiary of any of its rights and/or remedies under any Loan Document) to constitute a violation of any provision of ERISA or of any applicable state statute regulating a governmental plan, as determined by Beneficiary in its sole and absolute discretion.

H. Notwithstanding anything to the contrary contained in this Deed of Trust, not less than fifteen (15) days prior to any Transfer permitted hereunder pursuant to the terms and provisions hereof, Trustor shall obtain from the proposed transferee or lienholder, (i) a representation, in form and substance satisfactory to Beneficiary, that all provisions of this Paragraph 9.13 shall be true and correct after giving effect to any such Transfer, and (ii) such transferees agreement in writing, which agreement must be in form and substance satisfactory to Beneficiary in its sole and absolute discretion, that any transfer of such transferee's interest shall be governed by the terms and provisions of this Paragraph 9.13.

9.14. Indemnification and Defense.

A. Trustor will indemnify, defend, and hold Beneficiary and its agents harmless from and against all liability, loss, claims, damage, fee, cost or expense (including reasonable attorneys' fees) that Beneficiary might incur in connection with the making or administering of the Loan, the enforcement of any of Beneficiary's rights or remedies under the Loan Documents, by reason of any failure of any representation or warranty made by Trustor or the failure of Trustor to perform any Obligation or by reason or in defense of any and all claims and demands whatsoever that may be asserted against Beneficiary arising out of or in connection with the Property or the Loan.

B. Trustor shall appear in and defend (with counsel acceptable to Beneficiary) any action or proceeding purporting to affect the security of the Deed of Trust, or of any additional or other security for the Obligations, the interest of Beneficiary or the rights, powers and duties of Trustee hereunder.

C. Whenever, under any Loan Document, Trustor is obligated to indemnify and/or defend Beneficiary, or Trustor is obligated to defend or prosecute any action or proceeding, then Beneficiary shall have the

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right to participate in such prosecution or defense using the counsel of Trustor, and all costs and expenses incurred by Beneficiary in connection with such participation (including reasonable attorneys' fees) shall be reimbursed by Trustor to Beneficiary. In addition, Beneficiary shall have the right to reasonably approve any counsel retained by Trustor in connection with the prosecution or defense of any such action or proceeding by Trustor. Trustor shall give notice to Beneficiary of the initiation of all proceedings prosecuted or required to be defended by Trustor, or which are subject to Trustor's indemnity obligations, under this Deed of Trust, promptly after the receipt by Trustor of notice of the existence of any such proceeding, but in no event later than five (5) days thereafter.

D. Should Beneficiary incur any liability, loss, claim, damage, cost or expense required to be reimbursed by Trustor to Beneficiary hereunder, the amount thereof with interest thereon at the Secondary Interest Rate shall constitute part of the Indebtedness, shall be payable by Trustor upon demand and shall be secured by this Deed of Trust.

9.15. Destruction of Note. Trustor shall, if the Note is mutilated or destroyed by any cause whatsoever, or otherwise lost or stolen and regardless of whether due to the act or neglect of Beneficiary or Trustee, execute and deliver to Beneficiary in substitution therefor a duplicate promissory note containing the same terms and conditions as the Note, within ten (10) days after Beneficiary notifies Trustor of any such mutilation, destruction, loss or theft of the Note.

9.16. Heirs and Assigns. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns.

9.17. Interpretation. When the identity of the parties or other circumstances make it appropriate, the masculine gender shall include the feminine and/or neuter, and the singular number shall include the plural. Specific enumeration of rights, powers and remedies of Trustee and Beneficiary and of acts which they may do and of acts Trustor must do or not do shall not exclude or limit the general. The headings of each Article and Paragraph are for convenience and do not limit or construe the contents of any provision hereof. The provisions of the Loan Documents and the Hazardous Substances Agreement shall be construed as a whole according to their common meaning, not strictly for or against any party and consistent with the provisions herein contained, in order to achieve the objectives and purposes of such documents. Each party and its counsel has reviewed and revised the Loan Documents and the Hazardous Substances Agreement and agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of such document. The use in the Loan Documents and the Hazardous Substances Agreement of the words "including", "such as", or words of similar import when following any general term, statement or matter shall not be construed to limit such statement, term or matter to the specific items or matters, whether or not language of non-limitation such as "without limitation" or "but not limited to", or words of similar import are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter. The term "Trustor" shall be deemed to refer to the original Trustor, and its successors and assigns (whether or not such assign assumed the Obligations hereunder); the term "Beneficiary" includes Beneficiary named herein or any future owner or holder, including pledgee and participants, of the Note, or any other instrument secured hereby, or any participation therein; and the term "Trustee" includes the original Trustee and its successors and assigns. The references to the "Property" shall be deemed to refer to all or any portion of the Property and any interest therein. References to "foreclosure" and related phrases shall be deemed references to the appropriate procedure in connection with Trustee's private power of sale as well as any judicial foreclosure proceeding or a conveyance in lieu of foreclosure.

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9.18. Information to Third Persons. If, at any time, Beneficiary desires to sell or transfer, or grant a participation interest in, all or any portion of, or any interest in, the Note or any other Loan Document to any Person, Trustor shall furnish in a timely manner any and all financial information concerning the Property and Leases, and concerning Trustor's financial condition, requested by Beneficiary or such person in connection with any such sale or transfer.

9.19. Commingling of Funds. Any and all sums collected or retained by Beneficiary hereunder (including insurance and condemnation proceeds and any amounts paid by Trustor to Beneficiary under Paragraph 3.4 hereof), shall not be deemed to be held in trust, and Beneficiary may commingle such funds or proceeds with its general assets and shall not be liable for the payment of any interest or other return thereon, except to the extent otherwise required by law.

9.20. Certain Obligations Unsecured. Notwithstanding anything to the contrary set forth herein or any of the Loan Documents, this Deed of Trust shall not secure the following obligations (the "Unsecured Obligations"): (i) any obligations evidenced by or arising under the Hazardous Substances Agreement; and (ii) any other obligations in this Deed of Trust or in any of the other Loan Documents to the extent that such other obligations relate specifically to the presence on the Property of Hazardous Materials (as defined in the Hazardous Substances Agreement) and are the same or have the same effect as any of the obligations evidenced by or arising under the Hazardous Substances Agreement. Nothing in this section shall, in itself, impair or limit Beneficiary's right to obtain a judgment in accordance with applicable law after foreclosure for any deficiency in recovery of all obligations that are secured by this Deed of Trust following foreclosure.

9.21. Costs and Fees of Trustor. All costs, fees and expenses (including those reasonable fees of Beneficiary's legal counsel and consultants) (collectively, "Costs") incurred by Beneficiary in making, administering or collecting the Loan including, without limitation, Costs incurred by Beneficiary in connection with any inspections, reports, tests, inquiries and reviews, condemnation proceedings, endorsements to the title policy, actions or proceedings in which Beneficiary and/or Trustee may appear or be made a party (including foreclosure or other proceedings commenced by those claiming a right to any part of the Property or any action to partition all or part of the Property, whether or not pursuant to final judgment and exercise of the power of sale contained herein, whether or not the sale is actually consummated) and all sums expended by Trustee or Beneficiary in the exercise of any of their rights or remedies under this Deed of Trust shall be immediately due and payable by Trustor to Beneficiary upon demand, shall accrue interest at the Secondary Interest Rate from the date of expenditure until paid, and shall be added to the Indebtedness secured by the Loan Documents prior to any right, title or interest in or claim upon the Property attaching or accruing subsequent to the lien of this Deed of Trust.

9.22. Request for Partial Release of the Property and Related Substitution. From time to time during the term of the Loan, Trustor may make a request for a partial release of a portion of the Property from the lien of this Deed of Trust (the "Requested Release Property") and a simultaneous substitution of vineyard land as security for the Loan of at least equal value as the Requested Release Property (such request for partial release and substitution shall be defined hereafter as the "Request for Partial Release and Substitution"). Each Request for Partial Release and Substitution must (i) be made in writing, (ii) relate to full legal parcels, and (iii) be accompanied by a complete description of the proposed substitute security. Upon receipt of such items, and provided there exists no Event of Default or Potential Event of Default under the Loan Documents, Beneficiary, without obligation to grant such Request for Partial Release and Substitution, shall evaluate such Request for Partial Release and Substitution based upon Beneficiary's then current due diligence, underwriting standards and determination of value, and Beneficiary will notify Trustor in writing (x) whether or not Beneficiary will approve such Request for Partial Release and Substitution, and (y) if Beneficiary is willing to approve such Request for Partial Release and

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Substitution, Beneficiary will then notify Trustor of the specific conditions precedent to such release and substitution.

Notwithstanding any other term or provision contained herein, Trustor understands, acknowledges and agrees that Beneficiary has not agreed to any such release and substitution, and that any Request for Partial Release and Substitution may be granted or withheld by Beneficiary, in Beneficiary's sole and absolute discretion. In the event such Request for Partial Release and Substitution is granted by Beneficiary, Trustor shall pay (x) all legal fees of Beneficiary in connection with such evaluation and implementation of such partial release and substitution, (y) all title insurance premiums, recording costs, escrow fees and all other closing costs related thereto and the insuring of Beneficiary's first priority lien on the remaining Property, and (z) a reasonable evaluation fee to Beneficiary for Beneficiary's review of Trustor's Request for Partial Release and Substitution to be paid within five (5) days after receipt of notice of the amount of such evaluation fee by Trustor.

9.23. Partial Release of Arata Homesite Parcels. In addition to Trustor's rights under Paragraph 9.22 hereof, Trustor shall have a one-time right, upon written request of Trustor delivered to Beneficiary not less than thirty (30) days prior to the date of the proposed release, to request that Beneficiary release, in a single release, of up to four (4) homesite parcels to be created by lot line adjustment on a portion of the Property commonly referred to as the Arata Parcel (the "Arata Parcel"), which four (4) homesite parcels will be of the approximate size and configuration set forth in the following parenthetical (Lot 1-3.66 acres, Lot 2-1.52 acres, Lot 3-3.25 acres, and Lot 4-3.29 acres) and as more particularly described in Exhibit D attached hereto and incorporated herein by this reference (such four (4) homesite parcels being collectively referred to herein as, the "Release Parcel") from the lien of this Deed of Trust and any other security instruments affecting the real or personal property comprising the Release Parcel, and Beneficiary shall so release such Release Parcel therefrom but only upon satisfaction (as determined by Beneficiary in its reasonable discretion) of the following terms and conditions: (i) no Event of Default or event which with the passage of time or the giving of notice or both would constitute an Event of Default has occurred and is continuing; (ii) the balance of the Arata Parcel, after giving effect to the proposed release of the Release Parcel, shall consist of not less than 50 net acres of agricultural land (the "Remaining Arata Parcel," and together with the balance of the Property remaining encumbered hereby after giving effect to the proposed release of the Release Parcel, collectively, the "Remaining Property"); (iii) no portion of the Release Parcel shall be planted with vineyards as of the date of the proposed release; (iv) the release of the Release Parcel shall not result in the termination or violation of any Lease, Easement/Water Agreements, Agreement, operating agreements or other agreements affecting the Remaining Property; (v) Beneficiary receives, at Trustor's sole cost, such title insurance coverage as Beneficiary may deem reasonably necessary to ensure that this Deed of Trust remains a valid first lien on the Remaining Property, subject only to the Permitted Exceptions and such other exceptions to title as may have been approved in writing by Beneficiary, and that the Remaining Property complies with all Subdivision Laws (as hereinafter defined); (vi) Beneficiary shall have approved the configuration of the Release Parcel, and the Remaining Arata Parcel and the Remaining Property shall (a) not be adversely affected by the release of the Release Parcel and such release shall not diminish the value thereof, (b) continue to be serviced by a water irrigation system supplied by a well or irrigation reservoir on the Remaining Property and by water delivered under the Easement/Water Agreements, and (c) have direct and unimpeded access to a public road or street; (vii) each homesite parcel comprising the Release Parcel, the Remaining Arata Parcel, and the Remaining Property shall each be separate and legal parcels in accordance with the California Subdivisions Map Act and/or all other applicable local laws, rules or regulations relating to subdivision compliance ("Subdivision Laws"), and shall otherwise be in compliance with all applicable laws, ordinances, rules and regulations after consummation of the partial release and the Remaining Arata Parcel, and the Remaining Property shall have been assigned separate Assessor's Parcel Numbers such that its shall not be burdened by any taxes or assessments applicable to

TRADEMARK
REEL: 1733 FRAME: 0313

the Release Parcel; (viii) Trustor shall pay all fees, costs and expenses incurred by Beneficiary in connection with such release and any other matters relating thereto as provided herein (including, without limitation, reasonable attorney's fees); and (ix) the release of the Release Parcel shall be pursuant to such documentation as Beneficiary reasonably deems necessary (including, without limitation, modifications to the Loan Documents) to accomplish the release of the Release Parcel.

9.24. Amendment and Restatement. This Deed of Trust is an amendment and restatement of the Prior Deed of Trust. All of the liens described and/or set forth in the Prior Deed of Trust shall be deemed to be set forth herein, and in addition to the Indebtedness and Obligations secured hereby and the liens and encumbrances provided hereby, all other obligations secured by the Prior Deed of Trust and outstanding as of the date hereof shall be deemed to be secured hereby, and all other liens and encumbrances of such Prior Deed of Trust shall remain in full force and effect.

9.25. Execution in Counterparts. This Deed of Trust may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which taken together shall constitute one and the same Deed of Trust.

[There is no further text on this page.]

TRADEMARK
REEL: 1733 FRAME: 0314

IN WITNESS WHEREOF, the parties hereto have caused this Deed of Trust to be executed as of the day and year first above written.

TRUSTOR:

KLEIN FOODS, INC.,
a California corporation

By: _____
James D. Bielenberg, its
Chief Financial Officer

BENEFICIARY:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation

By: _____
Its: _____

[9557.AGRE]I24903

TRADEMARK
REEL: 1733 FRAME: 0315

IN WITNESS WHEREOF, the parties hereto have caused this Deed of Trust to be executed as of the day and year first above written.

TRUSTOR:

KLEIN FOODS, INC.,
a California corporation

By: _____
James D. Bielenberg, its
Chief Financial Officer

BENEFICIARY:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation

By: _____
Its: _____

[9557.AGRE] I24903

TRADEMARK
REEL: 1733 FRAME: 0316

EXHIBIT A

1997 Property Description

All that certain real property situate in the County of Sonoma, State of California, more particularly described as follows:

TRACT ONE: (BELLOTTI)

Being the lands of Klein Foods, Inc., as recorded in Exhibit "B" of Document Number 89-017593 of Official Records, Sonoma County Records and as shown on that Record of Survey filed in Book 437 of Maps at Page 41 Sonoma County Records, said parcel being more particularly described as follows:

Beginning at a found ½" iron pipe tagged L.S. 3216 marking the Southerly corner of the lands of Bellotti as shown on that Record of Survey filed in Book 134 of Maps at Page 9, Sonoma County Records; thence from said Point of Beginning and along the Easterly line of Bellotti as shown on said map North 44° 51'40" East, 597.29 feet to a ½" iron pipe tagged L.S. 3216; on the Westerly lines of Leonard as shown on the Record of Survey filed in Book 384 of Maps at Pages 3 and 4, Sonoma County Records; thence leaving said Easterly line and along said Westerly line of Leonard South 45° 05'39" East, 1867.14 feet, from which a ½" iron pipe bears South 45° 05'39" East, 0.50 feet; thence South 45° 10'47" West, 2046.36 feet to a ½" iron pipe tagged L.S. 3216 on the Easterly line of Lot 1 of Parcel Map Number 6881, filed in Book 320 of Maps, Page 19; thence along said Easterly, Northerly and Westerly boundary of Lot 1 the following 17 courses; North 3° 30'00" West, 655.00 feet to a ½" iron pipe tagged L.S. 3216; thence North 44° 07'08" West, 390.00 feet; to a ½" iron pipe tagged L.S. 3216; thence North 44° 24'23" East, 531.66 feet to a ½" iron pipe tagged L.S. 3216; thence North 65° 49'03" East, 238.33 feet to a ½" iron pipe tagged L.S. 3216; thence North 5° 31'48" West, 259.70 feet to a ½" iron pipe tagged L.S. 3216; thence North 82° 56'35" West, 148.31 feet to a ½" iron pipe tagged L.S. 3216; thence North 45° 36'47" West, 415.41 feet to a ½" iron pipe tagged L.S. 3216; thence South 73° 40'00" West, 400.00 feet to a ½" iron pipe tagged L.S. 3216; thence South 3° 33'43" East, 1731.10 feet to a ½" iron pipe tagged L.S.3216; thence South 66° 07'00" West, 144.00 feet to the center of an intermittent creek; thence along said creek South 27° 13'00" West, 75.00 feet; thence South 4° 20'00" West, 63.00 feet; thence North 72° 20'00" West, 94.00 feet; thence North 68° 40'00" West, 28.00 feet; thence South 8° 00'00" East, 64.00 feet; thence South 50° 30'00" West, 31.00 feet; thence South 2° 30'00" West, 157.52 feet more or less to the center of the Russian River; thence leaving aforementioned Lot 1 boundary and along the centerline of said river North 62° 22'39" West, 369.12 feet; thence North 51° 06'28" West, 208.87 feet; thence North 84° 11'40" West, 171.35 feet; thence North 47° 25'37"

continued...

West, 647.50 feet; thence North 33° 24'51" West, 469.71 feet; thence North 50° 41'57" West, 136.55 feet; thence North 77° 41'55" West, 381.56 feet; to the Easterly Right of Way of Alexander Valley Road as described in the deed to the County of Sonoma recorded in Book 792 of Official Records at Page 389, Sonoma County Records; thence leaving said river centerline and along said right of way North 46° 38'33" East, 160.67 feet (North 46° 32'30" East deed); thence South 43° 21'27" East, 2.00 feet (South 43° 27'30" East deed); thence North 46° 38'33" East, 265.00 feet (North 46° 32'30" East deed); thence South 43° 21'27" East, 5.00 feet (South 43° 27'30" East deed); thence North 46° 38'33" East, 701.58 feet (North 46° 32'30" East deed) to a ½" iron pipe tagged L.S. 3216; thence North 55° 16'13" East, 100.00 feet (North 55° 10'10" East deed) to a ½" iron pipe; thence along a curve to the left from a tangent that bears North 46° 38'33" East with a radius of 2,246.92 feet, through a central angle of 3° 07'55" for a length of 122.82 feet to a ½" iron pipe tagged L.S. 3216; thence North 46° 29'22" West, 29.87 feet to a ½" iron pipe tagged L.S. 3216; thence continuing North 46° 29'22" West, 30.00 feet to the physical centerline of Alexander Valley Road; thence along said centerline North 41° 36'30" East, 727.57 feet to a point, from which ½" iron pipe tagged L.S. 3216 bears South 48° 23'30" East, 30.00 feet; thence along a curve to the right with a radius of 6400.00 feet, through a central angle of 3° 28'55" for a distance of 388.95 feet to a point from which a ½" iron pipe tagged L.S. 3216 bears South 44° 54'35" East, 30.00 feet; thence North 45° 05'25" East, 117.62 feet to a point; thence South 45° 05'20" East, 43.50 feet to a ½" iron pipe tagged L.S. 3216; thence continuing South 45° 05'20" East, 228.83 feet to a ½" iron pipe tagged L.S. 3216; thence continuing South 45° 05'20" East, 538.16 feet to the Point of Beginning.

A. P. No.: 131-190-19

TRACT TWO: (CAKE)

Being the lands of Klein Foods, Inc., as recorded in Exhibit "C" of Document Number 89-017593 of Official Records, Sonoma County Records and as shown on that Record of Survey filed in Book 437 of Maps at Page 22, Sonoma County Records, said parcel being more particularly described as follows:

Beginning at a found 3/4" iron pipe marking the section corner common to Sections 20, 21, 29 and 28, Township 10 North, Range 9 West, Sotoyome Rancho as shown on the Record of Survey filed in Book 387 of Maps at Page 15, Sonoma County Records; thence North 0° 00'20" East, 299.90 feet to a found ½" iron pipe tagged L.S. 3216; thence continuing North 0° 00'20" East, 30.21 feet to a ½" iron pipe tagged L.S. 3216; thence continuing North 0° 00'20" East, 29.41 feet to a point from which a 3/4" iron pipe tagged RCE 18483 bears North 20° 57'14" East, 0.44 feet; thence South 85° 47'28" East, 175.96 feet to a point; thence South 68° 11'41" East, 324.78 feet to a 3/4" iron pipe; thence South 42° 33'05" East, 360.84 feet to a 3/4" iron pipe; thence South 31° 31'35" East, 325.59 feet to a 3/4" iron pipe; thence South 5° 50'55" West, 338.59 feet to a ½" iron pipe tagged L.S. 3216 from which a 3/4" iron pipe tagged RCE 18453 bears North 76° 37'04" West, 23.79 feet; thence South 89° 31'26" West, 3314.16 feet to a ½" iron pipe tagged L.S. 3216 on the Easterly right of way of the Northwestern Pacific Railroad, hereafter known as Point "A", thence continuing South 89° 31'26" West, 114.71 feet to a ½" iron pipe tagged L.S. 3216 on the Westerly Right of Way of said Railroad; thence continuing South 89° 31'26" West, 64.65 feet to a ½" iron pipe tagged L.S. 3216; thence North

continued...

A-2

0° 14'36" West, 108.08 feet to a ½" iron pipe tagged L.S. 3216 on the aforementioned Westerly Railroad Right of Way; thence continuing North 0° 14'36" West, 183.29 feet to a ½" iron pipe tagged L.S. 3216 on the aforementioned Easterly Right of Way line; thence continuing North 0° 14'36" West, 368.98 feet to a 1 ½ iron pipe; thence North 89° 30'10" East, 2639.48 feet to the Point of Beginning.

Excepting from said parcel that particular area within the Northwestern Pacific Right of Way being a strip of land 100 feet wide and more particularly described as follows:

Beginning at Point "A", a ½" iron pipe tagged L.S. 3216 at the intersection of the Southerly line of the above described parcel and the Eastern Right of Way of the Northwestern Pacific Railroad, then from said Point of Beginning and along said Easterly Right of Way along a curve to the left from a tangent that bears North 29° 23'37" West with a radius of 3869.75 feet, through a central angle of 5° 03'30" for a distance of 341.65 feet to a ½" iron pipe tagged L.S. 3216 on the Westerly boundary of the above described parcel: thence leaving said Easterly Right of Way and along said Westerly boundary South 0° 14'36" East, 183.29 feet to a ½" iron pipe tagged L.S. 3216 on the Westerly Right of Way of the Northwestern Pacific Railroad; thence leaving said Westerly boundary and along the Westerly railroad Right of Way along a curve to the right from a tangent that bears South 32° 08'51" East with a radius of 3769.75 feet, through a central angle of 1° 54'39", for a distance of 125.73 feet to a ½" iron pipe tagged L.S. 3216, on the aforementioned Southerly boundary line; thence leaving said Westerly Right of Way and along said Southerly boundary North 89° 31'26" East, 114.71 feet to the Point of Beginning.

A. P. No.: 140-050-02 & 03

TRACT THREE: (HUBBARD)

PARCEL ONE

All that part of Lot 84 of the Tzabaco Rancho, in the County of Sonoma, State of California, according to the Map thereof Recorded June 26, 1869, in Book 8 of Maps at page 17, Sonoma County Records, which lies South and West of the centerline of an existing 20 foot road right of way, the centerline thereof being described as follows:

Beginning at a point on the Southeasterly line of Lot 84 Tzabaco Rancho, distant South 34° West 47 feet from the most Easterly corner of said Lot 84; thence North 32°30' West 758 feet; thence in a Northwesterly direction, a distance of 462 feet, more or less, to a point which marks the most Easterly corner of Lot 86 of said Rancho, and the terminal point of the line herein to be described.

Excepting therefrom any portion thereof which lies within the following described land:

A strip of land 30 feet wide, measured at right angles Southeasterly and Easterly of the following described line:

continued...

Beginning at a point on the Northwesterly line of Lot 84 of the Tzabaco Rancho in the County of Sonoma, State of California, according to the Map thereof Recorded June 26, 1869, in Book 8 of Maps at page 17, Sonoma County Records, distant thereon South 40°30' West 185.46 feet from the most Northerly corner of said Lot 84, being also the most Easterly corner of Lot 86; thence continue South 40°30' West 462 feet; thence South 60° West 366.96 feet; thence South 0°30' West 1587.96 feet to a point; thence South 34° West 764 feet to the terminus of the line herein described.

Also excepting therefrom any portion contained in the deed from William Domenichelli and Rose J. Domenichelli to the County of Sonoma, a political subdivision of the State of California, dated May 4, 1962, and recorded May 17, 1962, in Book 1890 of Official Records at page 401, Serial No. G-92840, Sonoma County Records.

PARCEL TWO

All that part of Tzabaco Rancho in the County of Sonoma, State of California, according to the

Map thereof Recorded June 26, 1869, in Book 8 of Maps at page 17, Sonoma County Records, described as follows:

Beginning at the most Westerly corner of Lot 83 as shown on the Map of said Rancho, being also the most Southerly corner of Lot 84 as shown on said map; thence South 34° West, a distance of 764 feet; thence North 66° West, a distance of 481.82 feet; thence North 34° East, a distance of 764 feet to a point on the Southwesterly line of Lot 84; thence South 66° East along the Southwesterly line of said Lot 84, a distance of 481.82 feet to the point of beginning.

Excepting therefrom any portion thereof which lies within the following described land:

A strip of land 30 feet wide, measured at right angles Southeasterly and Easterly of the following described line:

Beginning at a point on the Northwesterly line of Lot 84 of the Tzabaco Rancho, in the County of Sonoma, State of California, according to the Map thereof Recorded June 26, 1869, in Book 8 of Maps at page 17, Sonoma County Records, distant thereon South 40°30' West 185.46 feet from the most Northerly corner of said Lot 84, being also the most Easterly corner of Lot 86; thence continue South 40°30' West 462 feet; thence South 60° West 366.96 feet; thence South 0°30' West 1587.96 feet to a point; thence South 34° West 764 feet to the terminus of the line herein described.

PARCEL THREE

All that part of Tzabaco Rancho, in the County of Sonoma, State of California, according to the Map thereof Recorded June 26, 1869, in Book 8 of Maps at page 17, Sonoma County Records, described as follows:

continued...

Commencing at the most Westerly corner of Lot 83 as shown on the aforesaid map, being also the most Southerly corner of Lot 84 as shown on said map; thence South 34° West 764 feet to the true point of beginning of the parcel herein to be described; thence from said true point of beginning, continuing South 34° West, to the centerline of the Russian River; thence North 66° West along the centerline of said river, 50 feet to a point; thence North 34° East, to the point of intersection with a line drawn North 66° West from the true point of beginning of this described; thence South 66° East to the said true point of beginning.

PARCEL FOUR

An easement for the passage of motor vehicles only over and along the Southeasterly and Easterly 10 feet of the following described strip of land, the Northwesterly and Westerly line of said easement being measured at right angles to and at all point 20 feet Southeasterly and Easterly from the Northwesterly and Westerly line of the following described land:

A strip of land 30 feet wide, measured at right angles Southeasterly and Easterly of the following described line:

Beginning at a point on the Northwesterly line of Lot 84 of the Tzabaco Rancho, in the County of Sonoma, State of California, according to the Map thereof Recorded June 26, 1869, in Book 8 of Maps at page 17, Sonoma County Records, distant thereon South 40°30' West 185.46 feet from the most Northerly corner of said Lot 84, being also the most Easterly corner of Lot 86; thence continue South 40°30' West 462 feet; thence South 60° West 366.96 feet; thence South 0°30' West 1587.96 feet to a point; thence South 34° West 764 feet to the terminus of the line herein described.

A. P. No.: 141-190-34

TRACT FOUR: (CRINELLA)

Being the lands of Klein Foods, Inc., as recorded in Exhibit "F" of Document Number 89-017593 of Official Records, Sonoma County Records and as shown as Parcel "F" on that Record of Survey filed in Book 437 of Maps at Pages 43 & 44, Sonoma County Records, said parcel being more particularly described as follows:

Parcel 1:

Beginning at a 16d nail and brass tag stamped L.S. 3216 in an Oak Tree on the Southerly line of Rancho San Miguel from which a 2" iron pipe with brass cap stamped "Rancho San Miguel L.S. 3216, 1989" bears South 89° 56'02" East, 44.95 feet; thence from said Point of Beginning and along said Rancho line North 89° 56'02" West, 10.00 feet to a ½" iron pipe tagged L.S. 3216; thence continuing along said Rancho line North 89° 56'02" West, 725.60 feet to a point from which a 1" iron pipe bears North 22° 44'58" West, 0.27 feet; thence continuing along said Rancho line North 89° 56'02" West, 788.34 feet to a point from which a 1" iron pipe bears South 22° 28'46" East, 0.77 feet; thence leaving said Rancho line North 22° 28'46" West, 1999.51 feet to a ½" iron pipe; thence North 80° 25'01" East, 736.60 feet to a 3/4" iron pipe

continued...

with "Pipe Tee"; thence South 22° 44'58" East, 284.06 feet to a ½" iron pipe tagged L.S. 3216; thence North 80° 27'05" East, 702.85 feet to a 3/4" iron pipe, thence continuing North 80° 27'05" East, 0.28 feet to a point hereafter known as "Point A", thence South 22° 33'40" East, 1978.01 feet to the Point of Beginning.

Parcel 2:

Together with a right of way, 25.00 feet wide, the Easterly line of said right of way being more particularly described as follows:

Beginning at said "Point A" as described above; thence North 22° 33'40" West, 1528 feet more or less to the Southerly line of Woolsey Road.

The Westerly line of said right of way shall lengthen and shorten to terminate on the North at the Southerly edge of Woolsey Road and on the South with the Northerly line of the above described parcel.

A.P. No.: 57-120-06

TRACT FIVE: **(GARFIELD)** (Description redone in 1996 when Kline Foods acquired other ½ interest)

Being the Lands of Klein Foods, Inc. as described in Exhibit "G" of the deed recorded February 28, 1989 under Document No. 89017593, Official Records of Sonoma County, of Woolsey Vineyard Property, a general partnership, as described in the deeds recorded April 4, 1983 under Document Nos. 83020016, 83020017 and 83020018 Official Records of Sonoma County, and of Sidney Garfield and Associates, a limited partnership, recorded December 23, 1960 in Book 1800 of Official Records, page 115, Sonoma County Records and as shown as Parcel G on that Record of Survey filed in Book 437 of Maps at Pages 43 & 44, Sonoma County Records, said parcel being more particularly described as follows:

Beginning at ½" iron pipe tagged L.S. 3890 on the Easterly line of Lot 4 of Parcel Map Number 86-264 filed in Book 425 of Maps at Page 2, Sonoma County Records, said point also being the Southwesterly corner of Cameron as shown on the Record of Survey filed in Book 116 of Maps at Page 2, Sonoma County Records; thence from said Point of Beginning and along the Southerly line of the former lands of Cameron as shown on said Record of Survey filed in Book 116 of Maps at Page 2, North 82° 36'15" East, 705.55 feet to a ½" iron pipe; thence continuing North 82° 36'15" East, 231.51 feet to a ½" iron pipe tagged L.S. 3216; thence North 80° 27'15" East, 469.58 feet to a ½" iron pipe tagged RCE 10430; thence leaving said Southerly line of Cameron South 22° 13'21" East, 1084.18 feet to a 1" iron pipe; thence South 82° 01'39" West, 79.87 feet; thence South 22° 28'46" East, 10.00 feet to a ½" iron pipe tagged L.S. 3216; thence continuing South 22° 28'46" East, 190.87 feet to a ½" iron pipe; thence continuing South 22° 28'46" East, 1999.51 feet to a point on the Southerly line of Rancho San Miguel, from which a 1" iron pipe bears South 22° 28'46" East, 0.77 feet; thence along said Rancho line

continued...

North 89° 56'02" West, 1383.78 feet to a ½" iron pipe tagged L.S. 3216; thence leaving said Rancho line North 22° 31'14" West, 3082.92 feet to the Point of Beginning.

A. P. No.: 57-120-03

TRACT SIX: (RIVER EAST)

PARCEL ONE

That parcel of land being in the Sotoyome Rancho in the projected T.8 N. R.9W., Section 3, County of Sonoma, State of California, and more particularly described as follows:

Beginning at a ½ inch iron pipe, tagged R.C.E. 17913, on the westerly side of the Old Redwood Highway at the intersection of the northerly entrance to Piper Sonoma Cellar's Winery, said pipe being the most northerly corner of Parcel 1, as shown on Parcel Map No. 7367, Sonoma County Records, from which a ½ inch iron pipe, tagged R.C.E. 17913, bears North 18° 48'00" West, 322.09 feet (Per Parcel Map No. 7367); thence North 18° 48'00" West, 269.16 feet to a point; thence North 89° 38'58" West, 557.87 feet to a point; thence South 00° 21'02" West, 512.15 feet to a point; thence North 89° 33'02" West, 837.24 feet to a point; thence North 88° 43'59" West, 956.47 feet, to a point; thence North 01° 10'07" East, 223.27 feet to a point; thence North 88° 49'53" West, 305.00 feet to a point; thence South 01° 10'07" West, 50.00 feet to a point; thence North 88° 49'53" West, 355.00 feet to a point; thence South 01° 10'07" West, 340.00 feet to a point; thence South 88° 49'53" East, 614.00 feet to a point; thence South 01° 10'07" West, 55.69 feet to a point; thence South 88° 49'52" East, 1,203.55 feet to a point; thence South 49° 03'41" East, 210.04 feet to a point; thence South 03° 24'41" West, 217.84 feet to a point; thence South 86° 19'23" East, 148.20 feet, to a point; thence South 03° 24'41" West, 173.24 feet to a point; thence South 68° 50'14" East, 833.11 feet to a point on the line between Parcels One and Two as shown on Parcel Map No. 7367; thence Northerly along said line North 26° 34'38" East, 210.72 feet to a point; thence North 63° 42'40" West, 78.00 feet to a point; thence North 02° 08'50" East, 188.51 feet to a point; thence North 42° 53'30" West, 41.71 feet to a point; thence North 87° 51'10" West, 224.49 feet to a point; thence North 02° 08'50" East, 95.39 feet to a point; thence North 30° 49'12" East, 138.85 feet to a point; thence North 02° 57'43" East, 297.38 feet to a point; thence North 45° 52'37" East, 500.71 feet to the point of beginning.

PARCEL TWO

A portion of Parcel Eight as described in Document No. 1993 0158565, of Official Records, Sonoma County Records, and situated in the Sotoyome Rancho, County of Sonoma, State of California, described as follows:

Commencing at the most northeasterly ½" iron pipe tagged R.C.E. 17913 shown on Record of Survey, Book 446, page 12, Sonoma County Records (also being the basis of bearings for this description); thence South 18°48'00" East, 52.93 feet to a ¾ inch iron pipe tagged R.C.E. 28167 shown on said map; thence along the common boundary of said Parcel Eight and the property described in the Quitclaim Deed recorded in Book 1989 of Official Records, page 104553,

continued...

Sonoma County Records, North 89°38'58" West, 557.87 feet to a ¾ inch iron pipe tagged R.C.E. 28167 shown on said map, also being the true point of beginning; thence South 00°21'02" West, 512.15 feet to a ¾ inch iron pipe tagged R.C.E. 28167 shown on said map; thence North 89°33'02" West, 480.00 feet; thence leaving said common boundary, and parallel with the last mentioned southwesterly course, North 00°21'02" East, 511.32 feet; thence parallel to the northerly line of said Parcel Eight, South 89°38'58" East 480.00 feet, to the point of beginning.

PARCEL THREE

All right, title and interest of Sonoma Vineyards, a corporation, in and to that certain Reciprocal Easement Agreement, dated March 25, 1982, executed by said corporation and Piper-Renfield, a partnership, recorded March 31, 1982, as Recorder's Document No. 82-17049, Sonoma County Records, and First Amendment to and Correction of Reciprocal Easement Agreement recorded October 25, 1989, under Document No. 89-102327, Official Records of Sonoma County, California.

PARCEL FOUR

An easement 20 feet in width, lying 10 feet on both sides of a centerline described as follows:

Commencing at a ½" iron pipe tagged R.C.E. 17913 on the Northwesterly line of Eastside Road, marking the most Southerly corner of Parcel 1, as shown on Parcel Map No. 7367, as filed in Book 331 of Maps, at pages 9 and 10, Sonoma County Records; thence along said northwesterly line also a southeasterly line of said Parcel 1, North 26° 34' 38" East, 85.00 feet to the point of beginning of the centerline described herein; thence from said point of beginning, leaving said southeasterly line of Parcel 1, North 68° 00' 00" west, 204.00 feet; thence North 57° 39' 40" West, 49.87 feet to a point on a northwesterly line of said Parcel 1, which said point bears North 26° 34' 38" East, 75.00 feet from a ½" iron pipe tagged R.C.E. 17913 marking a southwesterly corner of said Parcel 1, and is the point of termination of the centerline described herein.

The herein described easement to be bounded southeasterly by a segment of the aforementioned northwesterly line of Eastside Road, and northwesterly by a segment of the aforementioned northwesterly line of Parcel 7.

PARCEL FIVE

All Right, Title and Interest of Klein Foods, Inc., a California corporation in and to that certain Amended and Restated Reciprocal Easement Agreement dated October 31, 1989, recorded October 31, 1989 under Document No. 89-104552, Sonoma County Records.

A. P. No.: 66-321-15

continued...

EXHIBIT A-1

New 1998 Property Description

All that certain real property situate in the County of Sonoma, State of California, more particularly described as follows:

LLA 97-0108

BEING THE TRANSFER OF A PORTION OF PARCEL EIGHT OF THE LANDS OF THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, A NEW JERSEY CORPORATION, AS DESCRIBED BY DEED RECORDED AS DOCUMENT NUMBER 1993-0158565, OFFICIAL RECORDS OF SONOMA COUNTY, SITUATED IN THE SOTOYOME RANCHO, COUNTY OF SONOMA, STATE OF CALIFORNIA, TO THE LANDS OF KLEIN FOODS INC., AS DESCRIBED BY DEED RECORDED AS DOCUMENT NUMBER 1995-0069580, OFFICIAL RECORDS OF SONOMA COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE COMMON LINE OF THE LANDS OF THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, A NEW JERSEY CORPORATION, AS DESCRIBED BY DEED RECORDED AS DOCUMENT NUMBER 1993-0158565, OFFICIAL RECORDS OF SONOMA COUNTY, WITH THE SOUTHERLY LINE OF THE LANDS OF KLEIN FOODS INC., AS DESCRIBED BY DEED RECORDED AS DOCUMENT NUMBER 1995-0069580, OFFICIAL RECORDS OF SONOMA COUNTY, FROM WHICH A POINT ON SAID COMMON LINE BEARS NORTH 88°49'52" WEST 1203.55 FEET AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 446 OF MAPS AT PAGE 12, SONOMA COUNTY RECORDS; THENCE ALONG SAID COMMON LINE, SOUTH 49°03'41" EAST 210.04 FEET; THENCE SOUTH 03°24'41" WEST 217.84 FEET; THENCE SOUTH 86°19'23" EAST 148.20 FEET; THENCE SOUTH 03°24'41" WEST 173.24 FEET; THENCE SOUTH 68°50'14" EAST 833.11 FEET TO A POINT ON THE WESTERLY LINE OF THE LANDS OF JORDAN SPARKLING WINE COMPANY AS DESCRIBED BY DEED RECORDED AS DOCUMENT NUMBER 1996-115230, OFFICIAL RECORDS OF SONOMA COUNTY, SHOWN AS THE WESTERLY LINE OF PIPER SONOMA CELLARS ON SAID RECORD OF SURVEY; THENCE ALONG SAID LINE SOUTH 26°34'38" WEST 426.66 FEET TO THE CENTERLINE OF DRAINAGE WAY; THENCE ALONG THE CENTERLINE OF SAID DRAINAGE WAY THE FOLLOWING COURSES, NORTH 59°13'11" WEST 23.13 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 100.00 FEET, THROUGH A CENTRAL ANGLE OF 08°11'06", A DISTANCE OF 14.29 FEET; THENCE NORTH 51°02'05" WEST 31.37 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 100.00 FEET, THROUGH A CENTRAL ANGLE OF 15°17'52", A DISTANCE OF 26.70 FEET; THENCE NORTH 35°44'13" WEST 7.72 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 100.00 FEET, THROUGH A CENTRAL ANGLE OF 09°38'26", A DISTANCE OF 16.83 FEET; THENCE NORTH 45°22'39" WEST 64.76 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 150.00 FEET, THROUGH A CENTRAL ANGLE OF 17°13'15", A DISTANCE OF 45.08 FEET; THENCE NORTH 62°35'54" WEST 21.78 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT,

HAVING A RADIUS OF 100.00 FEET, THROUGH A CENTRAL ANGLE OF 10°02'50", A DISTANCE OF 17.54 FEET; THENCE NORTH 52°33'04" WEST 13.34 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 100.00 FEET, THROUGH A CENTRAL ANGLE OF 07°42'42", A DISTANCE OF 13.46 FEET; THENCE NORTH 60°15'47" WEST 46.39 FEET; THENCE NORTH 56°22'14" WEST 69.13 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 110.00 FEET, THROUGH A CENTRAL ANGLE OF 54°04'27", A DISTANCE OF 103.81 FEET; THENCE NORTH 02°17'47" WEST 24.97 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 45.00 FEET, THROUGH A CENTRAL ANGLE OF 60°32'24", A DISTANCE OF 47.55 FEET; THENCE NORTH 62°50'11" WEST 22.73 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE OF 10°22'01", A DISTANCE OF 9.05 FEET; THENCE NORTH 52°28'10" WEST 14.88 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 50.00 FEET, THROUGH A CENTRAL ANGLE OF 17°24'25", A DISTANCE OF 15.19 FEET; THENCE NORTH 69°52'35" WEST 84.98 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 100.00 FEET, THROUGH A CENTRAL ANGLE OF 12°14'26", A DISTANCE OF 21.36 FEET; THENCE NORTH 57°38'09" WEST 32.97 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 100.00 FEET, THROUGH A CENTRAL ANGLE OF 09°06'31", A DISTANCE OF 15.90 FEET; THENCE NORTH 66°44'40" WEST 27.30 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 150.00 FEET, THROUGH A CENTRAL ANGLE OF 09°37'03", A DISTANCE OF 25.18 FEET; THENCE NORTH 57°07'37" WEST 22.35 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 150.00 FEET, THROUGH A CENTRAL ANGLE OF 13°38'15", A DISTANCE OF 35.70 FEET; THENCE NORTH 70°45'52" WEST 23.41 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 100.00 FEET, THROUGH A CENTRAL ANGLE OF 05°24'04", A DISTANCE OF 9.43 FEET; THENCE NORTH 76°09'56" WEST 33.17 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 100.00 FEET, THROUGH A CENTRAL ANGLE OF 13°02'34", A DISTANCE OF 22.76 FEET; THENCE NORTH 63°07'22" WEST 43.87 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 200.00 FEET, THROUGH A CENTRAL ANGLE OF 17°40'56", A DISTANCE OF 61.72 FEET; THENCE NORTH 45°26'26" WEST 46.51 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 600.00 FEET, THROUGH A CENTRAL ANGLE OF 19°06'25", A DISTANCE OF 200.09 FEET TO A POINT OF COMPOUND CURVATURE; THENCE ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 100.00 FEET, THROUGH A CENTRAL ANGLE OF 33°22'04", A DISTANCE OF 58.24 FEET; THENCE LEAVING SAID CENTERLINE SOUTH 88°30'20" EAST 91.79 FEET; THENCE NORTH 01°29'40" EAST 348.64 FEET TO THE COMMON LINE OF THE LANDS OF THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, A NEW JERSEY CORPORATION, AS DESCRIBED BY DEED RECORDED AS DOCUMENT NUMBER 1993-0158565, OFFICIAL RECORDS OF SONOMA COUNTY, WITH THE

SOUTHERLY LINE OF THE LANDS OF KLEIN FOODS INC., AS DESCRIBED BY DEED RECORDED AS DOCUMENT NUMBER 1995-0069580, OFFICIAL RECORDS OF SONOMA COUNTY; THENCE ALONG SAID COMMON LINE, SOUTH 88°49'52" EAST 55.09 FEET TO THE POINT OF BEGINNING.

CONTAINING 9.33 ACRES MORE OR LESS.

A-1-3

TRACT SEVEN (Tesauro)

Lot 6, Section 6, Township 7 North, Range 8 West, M.D.M., and that portion of Lot 5 in said Section, described as follows:

Commencing at the Northwest corner of said Lot 5; thence East 20 chains to the East line of said Lot 5; thence South 17.38 chains to the Southeast corner of Lot 5; thence West 20 chains to the Southwest corner of Lot 5; thence North 17.38 chains to the point of commencement, said Lot 6 being more particularly described as follows:

Commencing at a point in the Southwest corner of said Lot 6 and running thence South 87°40' East along the Southern line of said Lot 6 a distance of 20 chains to the Southeast corner thereof; thence North along the line dividing said Lot 6 and Lot 5 in said section a distance of 17.38 chains to the Northeast corner of said Lot 6; thence Westerly along the Northerly line of said Lot 6 a distance of 20 chains to the Northwest corner of said Lot 6 and thence South along the West line of said Lot 6 a distance of 17.38 chains, more or less, to the point of commencement.

Excepting therefrom that portion lying adjacent to and Westerly of that certain Boundary Agreement Line described in the Quitclaim Deed recorded December 6 , 1974 in Book 2917 of Official Records, page 971, Sonoma County Records.

Also together with any portion adjacent to and Easterly of the certain Boundary Agreement Line, North 0°37'42" West 530.86 feet, described in the Quitclaim Deed recorded December 6, 1974 in Book 2917 of Official Records, page 974, Sonoma County Records.

A. P. No.: 034-050-10

TRACT EIGHT (Arata)

PARCEL ONE

The West half of the Southeast quarter (West ½ of Southeast ¼) of Section One (1) and the East half of the Southwest quarter (East ½ of Southwest ¼ of Section One (1), all situated in Township 8 North, Range 9 West, Mount Diablo and Meridian.

EXCEPTING THEREFROM, all those portions thereof described as follows:

That portion thereof, lying within the boundaries of Arata Lane and Brooks Road, which was conveyed to the County of Sonoma, by Deed recorded August 12, 1942, in Book 559 of Official Records, page 80, Sonoma County Records.

That portion thereof, lying within the exterior boundary of the parcel of land described in the Deed from Joseph Bottasso, et ux, to William L. Bottasso, recorded December 1, 1958, in Book 1631 of Official Records, page 626, Sonoma County Records, and easterly of the generally easterly boundary of said parcel, which easterly boundary is described in said Deed as a series

continued...

of courses "along Brooks Road" (commencing with "North 6° 05' 30" East, 305.60 feet" and ending at the northeasterly terminus of the curve to the right "with a radius of 450.00 feet though an angle of 44° 27' for a distance of 349.11 feet"), and southeasterly of the generally northwesterly boundary of the parcel of land described in the Deed from Joseph Bottasso, et ux, to Owen D. Stout, et ux, recorded April 5, 1950, in Book 951 of Official Records, page 269, Sonoma County Records, which boundary is described in said deed as "along the center of a road".

That portion thereof lying westerly of the generally easterly boundary of the parcel of land described in the deed from Frances Bottasso, et al, to Francis W. Evans and Grant L. Miner, Trustees, recorded October 23, 1969, in Book 2426 of Official Records, page 451, Sonoma County Records.

ALSO EXCEPTING THEREFROM that portion of the above described parcel lying northerly and easterly of the following described line, which line was established in those certain Boundary Line Agreements and Quitclaim Deeds recorded November 19, 1987, under Document Nos. 87106171, 87106172, 87106173, 87106174, 87106175, 87106176, 87106177, 87106178, 87106179, 87106180 and recorded April 21, 1988 under Document Nos. 88030946, 88030947, and 88030948, Sonoma County Records, more particularly described as follows:

BEGINNING at a ½" iron pipe at the center of Section 1, Township 8 North, Range 9 West, M.D.M. as shown on the Record of Survey filed in Book 137 of Maps, page 20, Sonoma County Records, from which the South quarter corner of said Section 1 as shown on said Record of Survey bears South 0° 19' 21" West; thence North 88° 32' 58" East along an existing fence, 1322.87 feet; thence South 0° 01' 35" East along said existing fence 683.71 feet; thence South 0° 19' 37" East along said existing fence and the Southerly prolongation thereof, 706.85 feet to the centerline of Brooks Road, and the southerly terminus of the boundary line described herein.

PARCEL TWO

THAT PORTION, if any, of the lands of Margaret Henry, et. al. as described in the Deeds recorded December 23, 1964, in Book 2097, Pages 630 and 631, and January 17, 1984 as Document No. 8403071, June 4, 1987 as Document No. 87053143, and June 15, 1987 as Document No. 87056744, Official Records of Sonoma County, California, lying Southerly and Westerly of the agreed upon boundary line as established and described in that certain Boundary Line Agreement recorded November 19, 1987 as Document No's. 87106171, 87106172, 87106173, 87106174, 87106175, 87106176, 87106177, 87106178, 87106179, 87106180, and recorded April 21, 1988 as Document No's. 88030946,88030947, and 88030948, Official Records of Sonoma County, California.

A. P. No.: 161-010-19

A-1-5

EXHIBIT B

INVENTORY

LIST OF WINERY EQUIPMENT

Wine Hoses 1" - 3"
Westphalia Centrifuge Model # FB80
Seitz -Swk Filter
Velo Filter 0036A64
Miscellaneous Fittings
150 H. P. Air Compressor Ingersoll Rand

3 Chillers

1) Lincoln Multigard Motor #641112, Pump #VM3554
2) Lincoln Multigard Motor # 641111, 3508230
   Reliance Pumps #P2166642B JX, #P216642B FX
3) Brook Motor #X358193, Doerr Pump # 3N2820 &
   Reliance Motor #P216642A
4) Lincoln 20 HP 01950327123
5) Jeco 63146213 Chiller 4616591

2 Crushers

(White Grape Crusher)
A.O. Smith 25 HP #5278301 Ragazzini Pump; US Motor R-1337-03270, U. S. Must Pump #R3946139; Reliance Incline Motor #13635, U. S. Dump Trough Motor #P4237140; U. S. Waste Incline Motor #930307

(Red Grape Crusher)
AJAX Electric 25 HP 19054085178 ; US Motor, U. S. Must Pump #C5356-00-172; U. S. Dump Trough Motor #P4237141, U. S. Incline Motor # F-4210-00-270

1 Coq Dejuicer

4 Pummace Pumps

1) Lincoln Motor #921369
2) U. S. Motor #F-9289-00-477
3) General Electric #5K215BN216

20 Wine Pumps

1) U. S. Motor Hsbg. #510
2) Dayton Motor #F-4832-00-E75, Hsbg #185
3) U. S. Motor #356396, Pump Unknown
4) U. S. Motor # F-1850-03-168
5) Toshibia Motor #B0054F6F2A3, Hsbg. #019
6) U. S. Motor #F-1321-01-269, Moyno Pump #A-6034-1
7) Pacemaker Motor #19284R-CM272, Pump Unknown
8) Healdsburg Machine # P25622223-G7-EX, Hsbg. #H75138
9) Healdsburg Machine # WF-1-026-400, Hsbg. # 501
10) Healdsburg Machine # P1866646D-A2, Hsbg. #3308
11) Healdsburg Machine #F-9258-00-216, Pump #5425
12) U. S. Motor #343756, Lober Pump #6284500
13) Healdsburg Machine #F-F152-00-170, Pump #3202
14) Healdsburg Machine #P4388415, Pump #502
15) Healdsburg Machine #F-9258-00-216, Pump #5425
16) Healdsburg Machine #P18G6646D, Hsbg. #3309
17) Healdsburg Machine # Y270187A1C2, Hsbg. #3355
18) Healdsburg Machine #F-1857-03-270, Hsbg. # 511
19) Westinghouse Motor #14EMMG980, Hsbg. # 3909
20) Ferrari Motor #B-1482-37, Pump Unknown

1 Bottling Line - .750 ML and related equipment

Crush Pad Equipment (Hoise, conveyers, elevators)
Eaton Truck Scale

KLEIN FAMILY VINTNERS
Cellar & Bottling Equipment

Qty.	Item	Mfg.	Model
2	Grape crusher/destemmer	Healdsburg Machine	
2	Stainless grape hopper	Healdsburg Machine	
2	Piston must pumps	Ragazzini	DF215-TBA
1	COQ Press	COQ	
1	Dejuicer	COQ	
1	Bladder Press 15 ton	Diemme	AR70F
1	Bladder Press 30 ton	Bucher	RPX 250
1	Bladder Press 30 ton	Bucher	RPZ 250
1	Decanter/Separator centrifuge	Westfalia	CA365010
1	Must Chiller	Hussman	
1	Air Compressor	Hydrovax	
1	Air Compressor	Ingersoll Rand	SSR-EP-150
1	Centrifuge	Westfalia	SA-80
1	Diatoneaceous earth screen filter	Velo	10
2	Plate & frame filter 40cm x 40cm	SWK - Orion	
3	Barrel washing machines	Tom Beard	TBC2B-HC
2	Hoist Assembly	Yale	100 R.P.
2	Humidification system	Micro Cool	
1	Orbit bottle cleaner	McBrady	200 5.4" dia.
1	Corker - 6 head	Bertiolaso	Delta 406RMod.426
1	Filter - vacuum	Corbert	324-32-022
1	Foil/capsule applicator	Robino & Gaianorino	Vulcan 9000 T4/R universal
1	Hot melt glue applicator	Nordson	244305
1	Labeler - rotary	Castagnino & Gastil	CG 84B2/10
1	Labeler - straight line	Meyer	CM-7
1	Case labeler	Label Air	2111 M
1	Case packer	Standard Knapp	930-2B
2	Videojet bottle printer	Videojet	Excel/1701
1	Case sealer	Elliot	hent-mini
1	Foil spinner - 8 head	Bertiolaso	zeta.106mod. 346
1	1 Lift table w/ gravity conveyor	Bishamon	HLT-TT-035-36-40056

(9557.AGRE)H51755

STAINLESS STEEL TANKS

QUANTITY	TANK #	CAPACITY	TOTAL GALS
5	16-20	2,327	11,635
5	21-25	2,903	14,515
10	26-35	3,461	34,610
3	36-38	8,559	25,677
1	39	10,335	10,335
2	40-41	10,500	21,000
3	42-44	3,461	10,383
3	45-47	10,335	31,005
2	48-49	6,300	12,600
5	50-54	2,327	11,635
5	55-59	2,903	14,515
10	60-69	4,041	40,410
3	70-72	9,660	28,980
6	73-78	11,664	69,984
3	79-81	4,041	12,123
2	82-83	6,462	12,924
52	100-151	13,930	724,360
14	186-199	25,950	363,300
20	200-219	51,980	1,039,600
			2,489,591

MISC. STAINLESS STEEL

2	DEJUICING TANKS	4,000	8,000
2	BT TKS (BT-11,BT-12)	3,142	6,284
1	BT TK (BT-13)	7,097	7,097
1	CUVEE' TK	2,311	2,311
3	YEAST TKS	467	1,401
2	YEAST TKS	102	204
1	YEAST TK	280	280
1	PORT TK	353	353
1	BLUE BOX	480	480
1	HAYDON (HS01)	6,736	6,738
2	HAYDON (HS02 / HS03)	3,138	6,276
13	S S DRUMS	55	715
9	S S DRUMS	30	270
24	S S KEGS	15	360
			40,767

WOOD TANKS

2	OAKS	1,865	3,730
46	OAKS	3,061	140,806
6	FRENCH OAKS	5,393	32,358
6	FRENCH OAKS	7,250	43,500
2	AMERICAN OAKS	1,550	3,100
8	AMERICAN OAKS	6,225	49,800
6	AMERICAN OAKS	9,900	59,400
2	AMERICAN OAKS	7,235	14,470
15	REDWOODS	5,100	76,500
			423,664

TOTAL STAINLESS STEEL TANKS, ETC.	2,530,358
TOTAL WOOD TANKS	423,664
GRAND TOTAL	2,954,022

Pumps and Motors:

CAKE

Well #1 - 318 H.P. Detroit Diesel Motor #8VA261447, Berkeley Pump #7425661

All underground pipelines.

GARFIELD/CRINELLA

Well #1 - 100 H.P. U.S. Electrical Motor #C2955-01-172, Floway Pump #72-2931

Well #2 - 75 H.P. U.S. Electrical Motor #CC1010055, Floway Pump #72-420T

Booster #1 - 150 H.P. Perkins Diesel #510U22227, Pacific Pump Co. (Paco) #KJM37407A

Booster #2 - 150 H.P. Perkins Diesel #510U21122, Pacific Pump Co. (Paco) #KJM37407B

Booster #3 - 150 H.P. Perkins Diesel #510U21129, Pacific Pump Co. (Paco) #KJM37407C

Booster #4 - 150 H.P. Perkins Diesel #510U22254, Pacific Pump Co. (Paco) #KJM374074D

All underground pipelines.

BELLOTTI

Well #1 - 200 H.P. International Butane #UV5499642, Vertiline Pump #D31779

All underground pipelines.

HUBBARD

Well #1 - 15 HP submersible

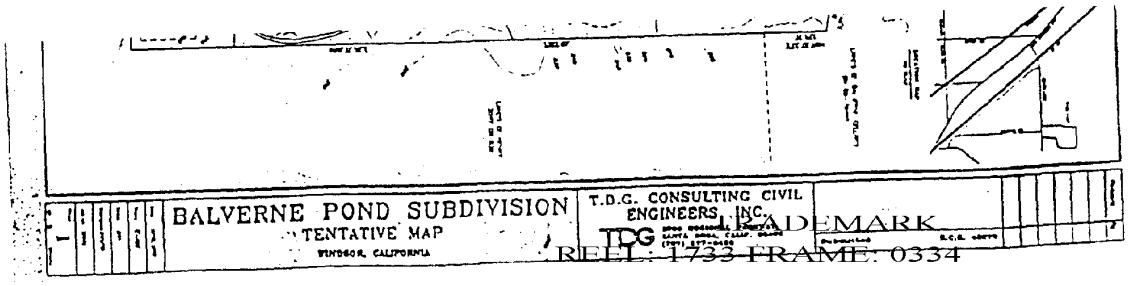
EXHIBIT C

(Option Parcel)

THAT PARCEL OF LAND situated in Rancho Sotoyome in the projected Township 8N, Range 9 W., Section 3, M.D.M., County of Sonoma, State of California and more particularly described as follows:

Commencing at a 1/2 inch Iron Pipe, tagged RCE 17913, on the Westerly side of the Old Redwood Highway, and the intersection of the Northerly entrance to Piper Sonoma Cellars Winery, said pipe being the most Northerly corner of Parcel 1 as shown on Parcel Map No. 7367, Sonoma County Records. From which a 1/2 inch Iron Pipe tagged RCE 17913, bears North 18° 48' 00" West, 322.09 feet, (Per Parcel Map No. 7367, Sonoma County Records). Thence North 18° 48' 00" West, 269.16 feet, to a point; thence North 89° 38' 58" West, 557.87 feet, to a point; thence South 00° 21' 02" West, 512.15 feet, to a point; thence North 89° 33' 02" West, 460.59 feet, to the Point of Beginning; thence continuing North 89° 33' 02" West, 376.65 feet to a point; thence North 88° 43' 59" West, 956.47 feet, to a point; thence North 01° 10' 07" East, 223.27 feet, to a point; thence North 88° 49' 53" West, 305.00 feet, to a point; thence South 01° 10' 07" West, 50.00 feet, to a point; thence North 88° 49' 53" West, 355.00 feet, to a point; thence South 01° 10' 07" West, 340.00 feet, to a point; thence South 88° 49' 53" East, 614.00 feet, to a point; thence South 01° 10' 07" West, 55.69 feet, to a point; thence South 88° 49' 52" East, 1203.55 feet, to a point; thence South 49° 03' 41" East, 210.04 feet, to a point; thence North 03° 24' 41" East, 360.15 feet, to the point of beginning; containing 12.59 acres, more or less.

(klienl.jp)



TRADEMARK
REEL: 1733 FRAME: 0334

STATE OF CALIFORNIA)
) ss.
COUNTY OF Sonoma)

On this 11th day of May, 1998, before me, Johanna Lee Caldwell, a notary public in and for said state, personally appeared James D Bielenberg, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~ executed the same in his/~~her~~ authorized capacity(~~ies~~), and that by his/~~her~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~), acted, executed the instrument.

WITNESS my hand and official seal.

Johanna Lee Caldwell
Notary Public
State of California

My Commission Expires: 1999

JOHANNA LEE CALDWELL
COMM. #1056412
Notary Public — California
SONOMA COUNTY
My Comm. Expires JUL 7,1999

NNA1 NNA1

STATE OF CALIFORNIA)
) ss.
COUNTY OF Fresno)

On this 11th day of May, 1998, before me, Melissa E. Webb, a notary public in and for said state, personally appeared William K. Beyer, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~ executed the same in his/~~her~~ authorized capacity(~~ies~~), and that by his/her signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~), acted, executed the instrument.

WITNESS my hand and official seal.

Melissa E. Webb
Notary Public
State of California

My Commission Expires: 3/15/99

NNA1 MELISSA E. WEBB
COMM. # 1053398
Notary Public — California
FRESNO COUNTY
My Comm. Exp. MAR 15, 1999 NNA1